

82D CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
No. 2316

SUPPLEMENTAL APPROPRIATION BILL, 1953

JUNE 26, 1952.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

MR. CANNON, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 8370]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations to supply certain supplemental and deficiency appropriations for the fiscal year ending June 30, 1953, and for other purposes.

The estimates upon which the bill is based are contained in House Document Nos. 285, 377, 450, 451, 452, 455, 456, 460, 461, 466, 467, 470, 476, 485, 486, 487, 488, 492, 495, 502, 503, 504, 505, 506, 507, 509, 510, 511, 512, 517, 518 and 521 and Senate Document No. 144. The bill is divided into chapters corresponding to the subcommittees considering the estimates. The recommendations contained in the bill are a result of deliberations of the several subcommittees as approved by the full committee.

SUMMARY OF BILL

Budget estimates considered by the committee total \$13,750,796,030. Appropriations recommended total \$10,283,133,780, a reduction of \$3,467,662,250. These amounts are distributed by chapters of the bill as indicated in the following table:

Chapter	Agency	Budget estimates	Recommended in bill	Bill compared with estimates
I	District of Columbia.....	\$1,719,416	\$915,366	—\$804,050
II	Legislative.....	203,950	203,950	-----
III	Commerce.....	716,536	716,536	-----
IV	Treasury, RFC.....	15,625,000	10,200,000	—5,425,000
V	Labor-Federal Security.....	110,710,400	11,037,750	—99,672,650
VI	Interior.....	525,000	525,000	-----
VII	Independent Offices.....	3,434,986,000	1,708,430,000	—1,726,556,000
VIII	Defense.....	2,993,868,440	2,187,899,840	—805,968,600
IX	Mutual Security.....	6,526,060,750	6,275,940,750	—250,120,000
X	Emergency agencies.....	661,610,000	81,690,000	—579,920,000
XI	Claims and judgments.....	6,489,954	6,489,954	-----
	Total.....	13,750,796,030	10,283,133,780	—3,467,662,250

CHAPTER I

DISTRICT OF COLUMBIA

SUBCOMMITTEE

JOE B. BATES, Kentucky, Chairman

SIDNEY R. YATES, Illinois
FOSTER FURCOLO, Massachusetts

LOWELL STOCKMAN, Oregon
EARL WILSON, Indiana

GENERAL ADMINISTRATION

Reorganization expenses.—The committee disapproves the entire amount of the budget request, \$100,000, for lack of adequate and substantial justification. The justifications presented indicated that the amount of the request was required for "contingencies which may arise in connection with reorganization—which must be provided for in order that there may not arise situations requiring appropriations but for which no funds are available". This would indicate that a wide variety of purposes existed. However, the estimates of obligation indicate that the entire amount is to be expended for personal services. Furthermore, testimony disclosed that the funds requested would be used, at least in part, to analyze the pending reorganization plan to determine what savings, if any, will accrue from its actual operation. Testimony indicated that no dollar figures had presently been attached to the reorganization. The committee strongly feels that analysis of the effects of an administrative reorganization should precede its presentation, and that the request made at this time is comparable to the horse following the cart. Since the reorganization plan is now before the Congress, and presumably will soon become effective, the actual adjustments of administrative organization should normally occur within the appropriations available without the necessity of further imponderables.

FISCAL SERVICE

Salaries and expenses.—The committee recommends \$70,000, the full amount of the budget estimate. This amount represents approved repayments of erroneous collections of various taxes. The committee was disturbed to learn that the amount of refunds now pending exceeds the estimate. This tends to indicate that the estimates were prepared without benefit of all known or readily apparent information.

COMPENSATION AND RETIREMENT FUND EXPENSES

District Government Retirement and Relief Funds, 1952.—The committee received a supplemental estimate of \$113,000, as set forth in House Document No. 502, and recommended that the Senate take up the item in connection with the Urgent Deficiency bill then pending in that body, which was done. The increase was immediately necessary to make payments to retired police and fire personnel and for medical care cases. An amount was also included to make effective an increase in the pension rate roughly comparable to the increase granted pursuant to Public Law 207, Eighty-second Congress, to active duty personnel. It is understood that this increase in pension rate will be effective as of about June 7, 1952.

The committee is amazed at the apparent lack of reasonable judgment on the part of responsible officials in deferring to this late date the presentation of a deficiency request the necessity for which must

have been obvious from the obligation data of the first two fiscal quarters.

District Government Retirement and Relief Funds, 1953.—An estimate of \$397,000, set forth in House Document 502, was based on the same general requirements as noted above in connection with the 1952 request, and the committee accordingly recommends appropriation of the full amount requested.

DISTRICT DEBT SERVICE

The full amount of the budget estimate, \$54,692, is recommended. This represents payment to the Treasurer of the United States, in reimbursement to that Department of an amount paid to the Pan American Union pursuant to Public Law 902, Eighty-first Congress. The amount had been collected by the District of Columbia as an inheritance tax on a bequest to the Pan American Union, and its return is authorized by the law noted above.

REGULATORY AGENCIES

OFFICE OF ADMINISTRATOR OF RENT CONTROL

Salaries and expenses.—The committee considered an estimate for this activity, in the amount of \$188,750, as set forth in House Document No. 502. In recommending an appropriation of \$125,000, the committee is presuming that extension of legislative authority will be forthcoming.

PUBLIC SCHOOLS

OPERATING EXPENSES

Public school food services fund.—In recommending the full amount of the budget estimate, \$25,000, the committee recognizes the necessity for the establishment of an initial working capital fund to carry out the purposes of Public Law 159, Eighty-second Congress. This law provides for a centrally administered system of public school cafeterias, lunchrooms, and like services. It is estimated that the annual expenditures of this operation will be \$1 million, and the \$25,000 provided is a minimum capital fund to get the program started.

OFFICE OF CIVIL DEFENSE

Salaries and expenses.—The committee recommends an appropriation of \$100,000 for this item, a reduction of \$625,000 from the budget estimates.

It was testified that the essence of an effective civil defense program is an active core of paid personnel and a host of interested local volunteers. It was also testified that currently public interest is not as great as might be desired, and further that increased appropriations would secure the desired increase in public interest. The justification statement concluded with the threat that "it can be classed as criminal negligence to ignore it (any chance of attack) to the extent of withholding the funds * * *".

This committee is firmly opposed to the concept that freely flowing moneys from governmental treasuries can produce enlightenment for the general public. Further, the committee is convinced that the hysteria-producing publicity attendant upon appropriation requests

in these nerve straining days causes more potential panic damage than it produces interested awareness of danger.

In making its recommendation, the committee does not intend to minimize what is a very real threat to the well-being of all citizens. The funds that are provided are intended to do that very thing which was described as the essence of the program, namely, assure a small staff, which, doggedly devoted to its purpose, can accomplish much good in creating fundamental public awareness.

REDEVELOPMENT LAND AGENCY

The budget estimate of \$5,020 is recommended for this activity, to permit the payment of per diem to the members of the Agency in accordance with the provisions of the act of August 2, 1945 (60 Stat. 793). These amounts are due and payable for prior fiscal years as well as for fiscal year 1952; payment has not been made because of various administrative rulings and an adverse ruling of the Comptroller General in regard to the use of the funds of a specific year to pay prior years obligations.

HEALTH DEPARTMENT

Medical charities.—In recommending \$92,613, the amount of the budget estimate, the committee wishes to point out that there is no contractual or legal basis for claiming this amount. A moral obligation undoubtedly exists. Hospitals which have contracted to care for indigent patients are fully informed that no deficiency can be incurred beyond the amount of the contract. However, the hospitals have handled cases beyond the contract provision, and, since in-patients are emergency cases, the Congress has in the past recognized these claims and granted additional appropriations.

The committee would like to point out that recent sessions of the Congress have appropriated the amounts requested for this item in regular annual bills, and in one case appropriated an amount in excess of the estimate, recognizing that the present situation arises all too frequently. The District Commissioners would do well to review their budgetary techniques with regard to this item and raise their sights more in line with reality when annual budget estimates are being prepared.

The committee insists that the practice of seeking deficiency appropriations, for fiscal years long since completed, cease and will expect the Commissioners henceforth to present a more realistic annual budget estimate.

PUBLIC WORKS

Operating expenses, electrical division.—The committee recommends the full amount of the budget estimate, \$19,341, which represents a deficiency occasioned by an increase in the rates for street lighting effective April 15, 1951.

Repairs to Old Bay Line pier.—An appropriation of \$26,700 is recommended, a decrease of \$15,300 from the estimate. The basis for the estimate was given as governmental responsibility over and above the normal maintenance and repair. The contract with the lessee provides that he shall make all normal maintenance and repairs.

The committee is of the opinion that the work required can be substantially accomplished with the funds provided, and wishes to warn against overambitious maintenance programs in view of the generally debilitated condition of the pier.

H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
	DISTRICT OF COLUMBIA			
	GENERAL ADMINISTRATION			
460	Reorganization expenses-----	\$100, 000	-----	-\$100, 000
	FISCAL SERVICE			
460	Salaries and expenses, 1952-----	70, 000	\$70, 000	-----
	COMPENSATION AND RETIREMENT FUND EXPENSES			
502	District government retirement and relief funds-----	397, 000	397, 000	-----
460	District Debt Service, 1952-----	54, 692	54, 692	-----
	REGULATORY AGENCIES			
	OFFICE OF THE ADMINISTRATOR OF RENT CONTROL			
502	Salaries and expenses-----	188, 750	125, 000	-63, 750
	PUBLIC SCHOOLS			
460	Operating expenses, Public School Food Services Fund-----	25, 000	25, 000	-----
	OFFICE OF CIVIL DEFENSE			
460	Salaries and expenses-----	725, 000	100, 000	-625, 000

	REDEVELOPMENT LAND			
460	Agency, 1952 and prior-----	5, 020	5, 020	-----
	HEALTH DEPARTMENT			
460	Medical charities, 1950-----	92, 613	92, 613	-----
	PUBLIC WORKS			
460	Operating expenses, electrical division, 1951-----	19, 341	19, 341	-----
460	Repairs to Old Bay Line pier-----	42, 000	26, 700	-15, 300
	Total, chapter I-----	1, 719, 416	915, 366	-804, 050

SUBCOMMITTEE

MICHAEL J. KIRWAN, Ohio
GEORGE W. ANDREWS, Alabama

WALT HORAN, Washington
FRED E. BUSBEY, Illinois

The bill includes \$132,200 for the House of Representatives stationery revolving fund in order to provide for the unanticipated increase in expenses borne by this fund, together with a sum to initiate a stationery allowance for a newly-elected Member; and \$71,750 for the House Office Buildings, including structural and mechanical changes.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
	LEGISLATIVE BRANCH			
	HOUSE OF REPRESENTATIVES			
	CONTINGENT EXPENSES OF THE HOUSE			
518	Stationery (revolving fund), 1952-----	\$132, 200	\$132, 200	-----
	ARCHITECT OF THE CAPITOL			
521	House Office Buildings-----	71, 750	71, 750	-----
	Total, Chapter II-----	203, 950	203, 950	-----

CHAPTER III

DEPARTMENT OF COMMERCE

SUBCOMMITTEE

JOHN J. ROONEY, New York, *Chairman*

DANIEL J. FLOOD, Pennsylvania
PRINCE H. PRESTON, Georgia
FRED MARSHALL, Minnesota

CLIFF CLEVENGER, Ohio
FRED G. AANDAHL, North Dakota

CIVIL AERONAUTICS ADMINISTRATION

Claims, Federal Airport Act.—There is included in the bill the sum of \$585,536, the amount of the budget estimate, to provide for the payment of claims for 6 public airports as certified by the Administrator, Civil Aeronautics Administration under the authority contained in section 17 of the Federal Airport Act of 1946 as amended. To date, appropriations totaling \$5,974,288 have been made for nine groups of claims covering 75 airports. The committee was advised that the Civil Aeronautics Administration expects to complete the processing of the 15 remaining claims at an early date.

NATIONAL BUREAU OF STANDARDS

Emergency Facilities, Radiation Physics Laboratory.—The committee recommends \$131,000, the amount of the budget estimates, to construct a Radium Laboratory and an annex to the Betatron Building. The Radium Laboratory is required to isolate in a separate building the work in connection with the handling and measurement of large quantities of radioactive materials and to insure the safety of personnel and property. The annex to the Betatron Building, for which \$63,000 is provided, is required to construct a small but heavy concrete wing in the Betatron Building so as to permit the continuous and simultaneous operation of two high-energy machines.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

H. Doc. No.	Department or agency	Estimate	Recommended in bill	Bill compared with estimate
	DEPARTMENT OF COMMERCE			
	CIVIL AERONAUTICS ADMINISTRATION			
452	Claims, Federal Airport Act-----	\$585, 536	\$585, 536	-----
	NATIONAL BUREAU OF STANDARDS			
452	Emergency facilities, radiation physics laboratory-----	131, 000	131, 000	-----
	Total, Chapter III-----	716, 536	716, 536	-----

CHAPTER IV
TREASURY DEPARTMENT
SUBCOMMITTEE

J. VAUGHAN GARY, Virginia, *Chairman*

ANTONIO M. FERNANDEZ, New Mexico
OTTO E. PASSMAN, Louisiana
ALFRED D. SIEMINSKI, New Jersey

GORDON CANFIELD, New Jersey
EARL WILSON, Indiana
BENJAMIN F. JAMES, Pennsylvania

U. S. COAST GUARD

Operating expenses.—The committee considered a supplemental estimate of \$5,900,000 for increased pay and allowances based on rates established by Public Law 346, 82nd Congress. Based on recent payrolls, maximum requirements would be about \$5,700,000. Testimony disclosed that \$900,000 cost in 1952 had been absorbed, and it would seem eminently reasonable that at least \$100,000 per month could be absorbed in 1953. The committee, therefore, recommends an appropriation of \$4,500,000, a reduction of \$1,400,000 in the estimate.

Acquisition, construction, and improvement.—The committee considered a supplemental request in the amount of \$9,000,000, as contained in House Document No. 450.

In recommending the appropriation of \$5,000,000, a reduction of \$4,000,000 in the estimates, the committee does in no wise intend to minimize the importance of the port security program. However, the committee did feel that certain of the items in the presentation were not adequately supported, and further, that the problem of construction lead time might prove more serious than was forecast.

The amount recommended will permit of proceeding with the program to the equivalent of one half, and will allow the committee to re-examine the proposal at the start of the next session of the Congress.

Retired pay.—The committee recommendation of \$600,000 is a reduction of \$25,000 in the estimate which is required to meet increased pay authorized by Public Law 346, 82nd Congress.

Reserve Training.—The committee recommends the full amount of the budget estimate, \$100,000, which is based on increased pay and allowances resulting from passage of Public Law 346, 82nd Congress.

RECONSTRUCTION FINANCE CORPORATION

The committee considered the regular annual operating budget of the Corporation at this time. Hearing of the estimates had been delayed so as to permit the new Administrator to become familiar with his organization.

During the interim since presentation of the President's Budget, the requirements of the Corporation were reevaluated with a reduction of \$1,650,000, as set forth in House Document No. 461. Thus the net total estimate considered by the committee was \$16,850,000.

It should be pointed out that the budget of the corporation is a limitation on the amounts of corporate funds that can be used for administrative expenses, and is not a charge against the general revenues of the Treasury.

The committee recommends that the limitation be established at \$15,500,000, a reduction of \$1,350,000 in the estimates. This decrease is predicated largely on the continuing decline in the lending activities of the Corporation.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
	TREASURY DEPARTMENT			
	COAST GUARD			
486	Operating expenses.....	\$5, 900, 000	\$4, 500, 000	—\$1, 400, 000
450	Acquisition, construction, and improvement.....	9, 000, 000	5, 000, 000	—4, 000, 000
486	Retired pay.....	625, 000	600, 000	—25, 000
486	Reserve training.....	100, 000	100, 000	-----
	Total, Chapter IV.....	15, 625, 000	10, 200, 000	—5, 425, 000

Administrative expenses of Government corporation

[Limitation on amount of corporate funds to be expended]

H. Doc. No.		Authorization, 1952	Estimate, 1953	Recommended in bill for 1953	Bill compared with—	
					1952 authorization	1953 estimate
461	Reconstruction Finance Corporation.....	\$17, 750, 000	\$16, 850, 000	\$15, 500, 000	—\$2, 250, 000	—\$1, 350, 000

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CHAPTER V

LABOR-FEDERAL SECURITY AGENCY

SUBCOMMITTEE

JOHN E. FOGARTY, Rhode Island, Chairman

E. H. HEDRICK, West Virginia

CHRISTOPHER C. McGRATH New York

WINFIELD K. DENTON, Indiana

LOWELL STOCKMAN, Oregon

FRED E. BUSBEY, Illinois

EDWARD T. MILLER, Maryland

DEPARTMENT OF LABOR

BUREAU OF EMPLOYMENT SECURITY

Grants to States for unemployment compensation and employment service administration.—The committee has approved \$6,800,000 of the \$13,600,000 requested. The amount included in the bill will, if approved, increase the total appropriation for 1953 to \$190,360,000. The request was based largely on two factors, the unanticipated increase in claims filed for unemployment benefits and recent changes in State laws and procedures which will result in increased work-loads.

Every time that this item has been brought before the committee during recent years there has been an increase requested to take care of work-loads resulting from changes in State laws and regulations. Total costs of administering the program are still well within the three tenths of one percent tax assessment which was instituted for the purpose of covering these costs. However, if the trend of recent years with regard to State legislation continues, this may not long be the case. It is therefore the desire of the committee that the Department make a thorough study of this situation to determine the additional costs that have resulted from revisions of State laws and regulations during the past five years and the benefits which resulted from these changes. The Department will also be expected to include an analysis of the differences between States as to laws and costs of administration with a view to determining what changes, if any, should be made in the Federal legislation in order to halt the ever increasing cost per unit of work and not prevent needed improvements in the program. The Committee will expect this study to be completed by January 1, 1953. Pending its completion the Bureau is directed not to increase any State's allotment because of a change in the State's laws or regulations relating to this program.

Salaries and expenses, Mexican farm labor program.—The committee has approved \$2,800,000 of the \$3,000,000 requested. No funds were included in the Labor-Federal Security Appropriation Bill, 1953, due to the fact that no agreement covering the program for 1953 had been negotiated with Mexico at the time that bill was prepared. An agreement, which provides for substantially the same program as that for 1952, has now been consummated. The Bureau estimates

that 275,000 Mexican farm workers will be brought into the United States during 1953 as compared with 200,000 during 1952.

Farm labor supply revolving fund.—The committee has allowed none of the \$270,000 requested. This revolving fund was established by the appropriation of \$1,000,000 in The Supplemental Appropriation Act, 1952. It was established with the understanding that the fees collected from employers for certain transportation and subsistence expenses of Mexican farm workers would be sufficient to keep the fund solvent at all times. It is the strong desire of the committee that no additional expenses be assumed by the fund which might jeopardize its solvency.

FEDERAL SECURITY AGENCY

AMERICAN PRINTING HOUSE FOR THE BLIND

Education of the Blind.—The committee has approved \$60,000 of the request for \$90,000. The amount in the bill will, if approved, increase the total appropriation for 1953 to \$175,000. This request followed passage of Public Law 354, approved May 22, 1952, which increased the amount authorized to be appropriated annually from \$115,000 to \$250,000. The amount approved, while a reduction in the request for this very worthy project, is an increase of over 50 percent in the appropriation. This is the first year since 1937 that there has been an increase for this item.

OFFICE OF EDUCATION

Salaries and expenses.—The committee has approved \$60,000 of the \$177,000 requested for the activity "School assistance in federally affected areas." The amount included in the bill will, if approved, increase the total appropriation for this activity during 1953 to \$861,812. The amount approved will provide for the salaries and expenses of 6 of the 12 additional field examiners requested to make field examinations to assure that Federal funds are properly spent. The additional personnel for the Washington office has been disallowed.

Payments to school districts (1952).—The committee has disallowed all of the \$11,570,000 requested. \$40,000,000 has been appropriated for this purpose in 1952. This amount is estimated to cover approximately 76 percent of the maximum amount to which schools in federally affected areas are entitled under Public Law 874. The amount appropriated in 1951 covered approximately 96 percent of such maximum entitlements. It is the opinion of the committee that State and local governments should make provision for bearing a greater share of these costs, especially under circumstances where the increase in Federal activities results in increased income to the area as well as an increase in the number of children to be educated.

It should be noted that the amount expended for grants to schools for operation and maintenance under the Lanham Act totaled less than \$50,000,000 for the entire period of World War II, 1942–1946, inclusive.

School construction.—The committee has disallowed all of the \$80,000,000 requested. The committee reduced the original request for 1953 by only 10 percent, from \$150,000,000 to \$135,000,000, and in-

cluded language to make this amount available immediately upon passage of the Act. The bill was passed by both the House and the Senate in exactly the form in which it was reported by the committee. The committee stated in its report on this bill "The committee wants it to be understood that this action does not in any way indicate that it will look favorably on a request for an additional amount in fiscal year 1953. The agency is expected to plan a program for the entire period from the enactment of this bill to June 30, 1953, within the funds provided." In the face of the action of both Houses of Congress and the very clear expression of the committee to the contrary, the Bureau of the Budget submitted a supplemental request for \$80,000,000 even before the beginning of the 1953 fiscal year. The justifications and verbal testimony were completely devoid of any new information which would justify this action. Neither the Federal Security Agency nor the Office of Education was consulted or given forewarning that this action was contemplated. The Federal Security Agency's Budget Officer said, somewhat in apology for the physical form of the justifications, "This came so suddenly we didn't get the regularly prepared justification * * *." The principal witness who was forced into the position of attempting to defend the estimate said "The first thing I knew about that, Mr. Chairman, was a telephone call last night that this might be up today." The committee is unaware of and does not seek to determine the motives behind this 11th hour proceeding, but certainly such hastily conceived action and flaunting of the obvious intent of Congress ill befits the office that is supposed to lead and set the example for the entire Executive Branch in the field of budgeting the public funds.

PUBLIC HEALTH SERVICE

Pay costs, Public Law 346.—The committee has approved \$817,750 of the \$961,000 requested, a cut of \$143,250. Public Law 346, approved May 19, 1952, provides for an increase of 4 percent of base pay and 14 percent of allowances for commissioned officers of the Public Health Service. The amount allowed will require the Service to absorb 25 percent of these costs under each of the 16 appropriations where these costs are applicable, with the single exception of the appropriation "Hospitals and medical care." The regular 1953 request for this activity has been cut \$130,000 and, in addition, it was testified that reimbursements to this appropriation from other government agencies are falling below the estimates, upon which the 1953 budget submission was based, to such an extent that the additional pay costs must be appropriated for to avoid the danger of having to reduce services for which the government is committed.

Hospital and medical care.—The committee has allowed \$500,000 of the request for \$1,042,400 for the specific purpose of making grants to the Territory of Hawaii for care and treatment of persons afflicted with leprosy.

ADMINISTRATOR'S OFFICE

Salaries and expenses, Defense Community Facilities and Services.—The committee has approved \$50,000 of the request for \$100,000 to be derived by transfer from funds already appropriated for grants and loans in connection with the Defense Community Facilities and

Services Program. The amount included in the bill will, if approved, increase to \$125,000 the amount available for 1953. The committee has also included language in the bill which provides that none of these funds shall be available after December 31, 1952, except for program liquidation. This action is in keeping with the testimony the committee received indicating that the emergencies, anticipated when this emergency program was established, have not developed.

MINORITY VIEWS

I dissent from the majority opinion on the matter of disapproving requests submitted, by the Federal Commissioner of Education through the United States Bureau of the Budget, for funds necessary to meet the government's obligations on commitments already made under the authority of Public Laws 874 and 815.

To me, the issue resolves itself into one of keeping face with my Colleagues in the House of Representatives and with some six hundred school boards throughout the nation who were advised that they would be entitled to certain sums from the Federal treasury to compensate them for extra expenditures due to government activities within the school districts.

Regular appropriations in the 1951 and 1952 budgets were inadequate and moneys appropriated to carry out the provisions of Public Laws 874 and 815 were diverted to take care of new critical defense areas and not used for the purpose for which they were appropriated.

The matter goes beyond the question of keeping face, it is, in fact, a recognized obligation of the government that every school district impacted through Federal activities would be compensated. To me, this is a contract and the government is not only morally, but legally under obligation to treat the several school districts involved on a basis of equality.

I shall, when this supplemental appropriation reaches the House, offer amendments to restore these two items of \$11,500,000.00 to supplement appropriations under Public Law 874 and \$80,000,000.00 to supplement appropriations under Public Law 815.

WINFIELD K. DENTON.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

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H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
	DEPARTMENT OF LABOR			
	BUREAU OF EMPLOYMENT SECURITY			
506	Grants to States for Unemployment Compensation and Employment Service Administration.	\$13, 600, 000	\$6, 800, 000	—\$6, 800, 000
506	Mexican Farm Labor Program, salaries and expenses-----	3, 000, 000	2, 800, 000	—200, 000
506	Farm labor supply revolving fund-----	270, 000	-----	—270, 000
	Total, Department of Labor-----	16, 870, 000	9, 600, 000	—7, 270, 000
	FEDERAL SECURITY AGENCY			
503	American Printing House for the Blind-----	90, 000	60, 000	—30, 000
	OFFICE OF EDUCATION			
495	Salaries and expenses-----	177, 000	60, 000	—117, 000
455	Payments to school districts (1952)-----	11, 570, 000	-----	—11, 570, 000
511	School construction-----	80, 000, 000	-----	—80, 000, 000
	Total, Office of Education-----	91, 747, 000	60, 000	—91, 687, 000

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PUBLIC HEALTH SERVICE				
487	Pay costs, Public Law 346-----	961, 000	817, 750	—143, 250
509	Hospitals and medical care-----	1, 042, 400	500, 000	—542, 400
	Total, Public Health Service-----	2, 003, 400	1, 317, 750	—685, 650
OFFICE OF THE ADMINISTRATOR				
505	Defense Community Facilities and Services, salaries and expenses-----	¹ (100, 000)	¹ (50, 000)	¹ (—50, 000)
	Total, Federal Security Agency-----	93, 840, 400	1, 437, 750	—92, 402, 650
	Total, chapter V-----	110, 710, 400	11, 037, 750	—99, 672, 650

¹ To be derived by transfer.

CHAPTER VI
DEPARTMENT OF THE INTERIOR

SUBCOMMITTEE

MICHAEL J. KIRWAN, Ohio, *Chairman*

W. F. NORRELL, Arkansas

HENRY M. JACKSON, Washington

FOSTER FURCOLO, Massachusetts

BEN F. JENSEN, Iowa

IVOR D. FENTON, Pennsylvania

NATIONAL PARK SERVICE

Construction.—The budget estimate of \$525,000 is recommended for this item. Of the total, \$450,000 will be used for the repair and reconstruction of roads, structures, and utility lines damaged by severe weather and fire during the winter months. The remaining \$75,000 will be used for the purchase of the Gila Pueblo property near Globe, Arizona, as authorized by the act of February 12, 1952 (Public Law 259).

Also, the committee recommends approval of language which waives the personal services limitation in the 1952 bill to the extent necessary to meet the costs of emergency reconstruction or replacement of facilities and the costs of fire suppression activities in the national parks:

Comparative statement of amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
	DEPARTMENT OF THE INTERIOR			
456	National Park Service: Construction-----	\$525, 000	\$525, 000	-----

CHAPTER VII

INDEPENDENT OFFICES

SUBCOMMITTEE

ALBERT THOMAS, Texas, *Chairman*

ALBERT GORE, Tennessee

GEORGE W. ANDREWS, Alabama

SIDNEY R. YATES, Illinois

JOHN PHILLIPS, California

FREDERIC R. COUDERT, Jr., New York

NORRIS COTTON, New Hampshire

EXECUTIVE OFFICE OF THE PRESIDENT

The committee has allowed an estimate of \$50,000 for extraordinary repairs and alterations to the Executive Mansion and the White House Office, but has required that such sum shall be obtained from the appropriation to the President in the Independent Offices Appropriation Act, 1953, under the heading "Emergency Fund for the President, National Defense". It has been the custom since 1926 to provide the President-elect with funds for minor changes and the committee feels that this practice should be continued.

ATOMIC ENERGY COMMISSION

The committee had under consideration an estimate of \$3,191,000,000 for salaries and expenses of the Atomic Energy Commission, consisting of \$3,018,602,000 for construction, including an expansion program, and \$172,398,000 for operating expenses in connection with the expansion program and to meet other increases in financial requirements. In acting on the regular 1953 estimate the Congress has provided for construction costs and operating costs in separate appropriations. The funds for AEC in this bill are provided on the same basis, and the action of the committee thereon is explained under the following appropriate headings.

Operating expenses.—The supplemental estimate for this purpose amounted to \$172,398,000. The committee has allowed a total of \$35,000,000 for this purpose, including \$30,000,000 additional for the weapons program, \$1,500,000 additional for personnel costs, and \$200,000 for expenses of travel. A very substantial part of the reduction in this program is made possible by the denial of requests for funds to restore items which were not allowed in connection with the regular 1953 estimates.

Plant and equipment.—For new plant construction and for the expansion of existing plants the committee considered a supplemental estimate of \$3,018,602,000, including \$2,924,000,000 to initiate the construction of the major elements of the new program. The remaining requirements, amounting to \$94,602,000, resulted from a rescheduling of production and research programs, additional facilities required by recent technical developments, and cost overruns on construction projects. The total cost of the facilities necessary to accomplish

the expansion program is estimated at \$3.9 billion and the program will not be completed for several years. Costs to be incurred during the fiscal year 1953 are estimated at \$600,000,000. The committee has granted \$1,450,000,000 for the expansion and construction program.

The committee has inserted in the bill a provision excepting the commission from compliance with Section 3679 of the Revised Statutes in connection with the costs of cancellation of long-term contracts for electric service and has effected a specific reduction of \$277,000,000 as a result of this provision.

The committee has for the past three or four years urged the Atomic Energy Commission to use competitive bidding based upon plans and specifications. Although the commission and their predecessors have been in the construction business for approximately ten years, the commission feels that it cannot work from plans and specifications. On this point, the committee disagrees. The committee calls attention to the fact that the commission is now engaged on an expansion program which will sizably increase production facilities, and this program will not be completed for approximately two years. With the experience the commission is now getting, and with the experience it has obtained in the past, if it is not able to prepare plans and specifications for this big, new expansion program it will never be able to do so. The reason the committee is anxious for the commission to work from plans and specifications is that it will save millions and millions of dollars (and everybody has agreed on that point), and the committee cannot see where this procedure loses any appreciable amount of time.

In this regard the committee would like to quote from the testimony of the Associated General Contractors of America in which Mr. Marshall advised the committee as follows:

Mr. THOMAS. Can you give us an answer to the problem generally? Can you summarize it generally? I am referring to the problem as it faces the commission.

Mr. MARSHALL. First of all, centralized control of the entire project. Then the development of sufficient information in advance to know how many men are going to be needed, and when, so that they can be brought in in an orderly way.

Mr. THOMAS. How can they reach that point of specific information without plans and specifications?

Mr. MARSHALL. They cannot.

Mr. THOMAS. It cannot be done?

Mr. MARSHALL. No, sir; it cannot.

Mr. THOMAS. And without that, it will be time consuming, a matter of lost motion and an expensive way as contrasted with normal production.

Mr. MARSHALL. You have the problem of recruiting labor. You have the housing problem. You have the problem of compensation for travel or, if this is located in an industrial community, you have the shock that comes to that community because of the labor problem.

Mr. THOMAS. Would it be possible to save time and money, if they took a competent engineer-architect firm and gave them three or four or six or seven months' lead time, to do the over-all planning, and then start from there?

Mr. MARSHALL. I believe it would.

Mr. THOMAS. Is that the answer to the problem?

Mr. FOREMAN. I think so.

Mr. THOMAS. Gentlemen, I think that is the information we have been seeking. We thank you gentlemen for being so very helpful. It was very good of you to take time out from your busy day to come over and help us.

The committee wishes to reemphasize its conviction that very substantial sums of money will be saved with little or no loss of time if

the commission will proceed promptly to formulate a specific program based on engineering plans and specifications, and it invites the commission, after it has followed this procedure, to return to consider the remainder of the financing of the program and its plans and specifications. If the Congress is in session in September the committee would be willing to have the commission appear then. If not, later on, in January, the committee would like AEC to spell out with far more detail their financial requirements, and the commission will be expected to show great progress in preparing plans and specifications for their program by that time.

GENERAL SERVICES ADMINISTRATION

HOSPITAL FACILITIES IN THE DISTRICT OF COLUMBIA

The committee has approved a supplemental estimate of \$11,400,000 for the purpose of making grants to five hospitals located in the District of Columbia. An appropriation for this purpose is authorized by Public Law 221 of the 82d Congress. The authorizing act provides that the Federal grant shall not exceed 50 percent of the cost of the project for which such grant is made. The hospitals to receive grants under the appropriation recommended are the Children's Hospital, Providence Hospital, The Lucy Webb Hayes National Training School, including Sibley Memorial Hospital, Eastern Dispensary and Casualty Hospital, and the National Homeopathic Hospital.

HOUSING AND HOME FINANCE AGENCY

OFFICE OF THE ADMINISTRATOR

Defense Housing.—The committee considered a supplemental estimate of \$62,500,000 for defense housing in critical areas and has recommended an appropriation of \$50,000,000 for this purpose. Public Law 139, approved September 1, 1951, authorized an appropriation of \$50,000,000 for this purpose and pending legislation which has passed the Senate (S. 3066) will, if finally enacted as approved by the Senate, authorize an additional \$50,000,000 for defense housing units. The sum of \$37,500,000 heretofore has been appropriated for this purpose. The amount recommended, together with prior appropriations, will provide a total of \$87,500,000 of the total \$100,000,000 authorization to meet housing needs in defense areas where the shortage is most critical. Funds heretofore appropriated are expected to provide about 9,300 dwelling units. The additional \$50,000,000 provided in the bill will raise the overall total to about 20,000 units. The committee was advised there is a need for 35,000 units of defense housing in critical areas.

Public Housing Administration, Administrative expenses.—The new defense housing authorization contained in pending legislation

(S. 3066) will require additional funds for salaries and expenses of administration and the committee has considered a supplemental estimate proposing an increase of \$1,900,000 for PHA for this purpose. The committee has recommended a total of \$1,433,735. The sum recommended is essential to enable PHA to carry on the construction and management part of the defense housing program which has been delegated to it by the Administrator.

Federal National Mortgage Association.—The committee considered a supplemental request for authorization to use \$800,000 of corporate funds for administrative expenses and has allowed a total of \$680,000 for such purpose. This additional authorization is essential in order to enable FNMA to perform the additional workload placed on it under the provisions of the pending Housing Act of 1952, which, in its present form, would increase the mortgage-purchase authority of the Association by \$900 million. This authorization is made contingent upon enactment into law of the pending legislation (S. 3066).

Alaska Housing.—The bill contains \$4,000,000 for Alaska housing which is \$1,000,000 less than the supplemental estimate. The present authorization of \$15,000,000 contained in Public Law 52 of the 81st Congress has been appropriated, and an additional authorization of \$5,000,000 is pending in S. 3066. Substantially all of the original appropriation of \$15,000,000 has been obligated and the additional \$4,000,000 recommended is to permit continuation of the program of assistance in the development of the Territory.

Slum Clearance and Urban Redevelopment.—The supplemental estimate of \$10,000,000 for this purpose is the first request for capital grants for slum clearance and urban redevelopment requested under the provisions of the Housing Act of 1949, as amended. Public Law 370, 82d Congress, permits the Housing and Home Finance Agency to make advance or progress payments on capital grant contracts as the work progresses. It is for this purpose that the supplemental estimate is requested. Information presently available is to the effect that about 14 projects may be eligible for progress payments during the fiscal year. In view of the fact there is no firm estimate the committee has allowed an appropriation of \$8,000,000, a reduction of \$2,000,000 in the Budget request.

TENNESSEE VALLEY AUTHORITY

The bill includes the budget estimate of \$150,000,000 to provide funds for commencing construction of steam electrical generating plants, transmission lines and other facilities necessary to provide power for the expansion program of the Atomic Energy Commission. The two programs go hand in hand and one is useless without the other. The program provides for the construction of ten additional or new generating units with a rated capacity of 1,710,000 kilowatts. The total estimated cost of the program is \$305,000,000.

VETERANS' ADMINISTRATION

Grants to the Republic of the Philippines.—Section 3 of the Act of July 1, 1948, authorizes aid in the form of grants to the Republic of the Philippines for the construction and equipment of hospitals in a sum not exceeding \$22,500,000. An appropriation of \$9,400,000 heretofore has been provided and the committee has had under consideration a supplemental estimate of \$5,000,000 which would provide a total of \$14,400,000, the amount of the lowest bids received by the Philippine Government for the construction and equipment of a 722-bed hospital. The committee is unable to reconcile the estimated cost of constructing this hospital with the known cost of labor in the area. Also, it would appear that a substantial quantity of materials and supplies could be secured locally at a reasonable price. The committee was advised that only two bids were submitted for the construction of this hospital. In view of the foregoing, the committee has deferred recommending the supplemental request and asks the Veterans' Administration to urge the Philippine Government to readvertise for bids with a view to securing a substantial reduction in the estimate for the construction of this hospital, and to eliminate, if possible, any unnecessary ancillary facilities connected with the hospital, which under present plans call for approximately 25 buildings. The committee has no intention of denying the funds for this badly needed hospital. As soon as plans and specifications are revised, if considered desirable, and better bids obtained, the committee will immediately recommend to the House the appropriation of the necessary funds. The committee is in favor of the program.

WAR CLAIMS COMMISSION

The committee considered a supplemental estimate of \$400,000 for administrative expenses of this commission in connection with the settlement of claims authorized by the Act of April 9, 1952, Public Law 303. This Act authorizes payments to former prisoners during World War II who were subjected to inhumane treatment or compelled to perform uncompensated work for the enemy, and for compensation to religious organizations in the Philippines for loss and damage to facilities. The committee wishes to point out that most of the remaining work in connection with the old program has to do with the Philippine veterans, and the Department of the Army has agreed to perform a large part of that work in the Philippines where it has a sizable force. Thus, by using the present staff of the commission for this new work, the committee feels that \$100,000 is ample to perform the additional work required in connection with the new Act of April 9, 1952, for which an estimate of \$400,000 was submitted.

DEPARTMENT OF COMMERCE

MARITIME ACTIVITIES

Ship construction.—The committee has disallowed the request for authority to use \$200,000 of unobligated funds for the purpose of preparing engineering plans for enlargement of the ways and other facilities at the Wilmington (N. C.) Reserve Shipyard and other similar yards. The purpose of the request is to have plans prepared and in stand-by condition in case of an all-out war. In eliminating the request for funds for this purpose the committee is of the opinion that this work should be performed by existing personnel of the Maritime Administration or the Corps of Engineers and that the request for authority to employ additional personnel for the work is not justified.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

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H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
	EXECUTIVE OFFICE OF THE PRESIDENT			
492	Extraordinary Alterations and Repairs, Executive Mansion----	\$50, 000	(1)	—\$50, 000
	INDEPENDENT OFFICES			
	American Battle Monuments Commission:			
377	Dedication of World War II memorial-----	36, 000	\$30, 000	— 6, 000
476	Atomic Energy Commission:			
	Salaries and expenses-----	3, 191, 000, 000	-----	—3, 191, 000, 000
	Operating expenses-----	-----	35, 000, 000	+35, 000, 000
	Plant and equipment-----	-----	1, 450, 000, 000	+1, 450, 000, 000
	General Services Administration:			
467	Hospital Facilities in the District of Columbia-----	11, 400, 000	11, 400, 000	-----
	Housing and Home Finance Agency:			
	Office of the Administrator:			
507	Defense Housing-----	62, 500, 000	50, 000, 000	—12, 500, 000
507	Federal National Mortgage Association-----	(2)	(3)	-----
507	Alaska Housing-----	5, 000, 000	4, 000, 000	—1, 000, 000

507	Slum Clearance and Urban Redevelopment:			
	Capital Grants-----	10, 000, 000	8, 000, 000	-2, 000, 000
507	Public Housing Administration-----	(4)	(5)	-----
476	Tennessee Valley Authority-----	150, 000, 000	150, 000, 000	-----
	Veterans' Administration:			
451	Grants to the Republic of the Philippines-----	5, 000, 000	-----	-5, 000, 000
466	War Claims Commission:			
	Administrative expenses-----	(6)	(7)	-----
	DEPARTMENT OF COMMERCE			
	Maritime Activities:			
470	Ship construction-----	(8)	-----	-----
470	War Shipping Administration liquidation-----	(9)	(9)	-----
	Total, Chapter VII-----	3, 434, 986, 000	1, 708, 430, 000	-1, 726, 556, 000

¹ Not to exceed \$50,000 of the funds available for "Emergency Fund for the President, National Defense" in the Independent Offices Appropriation Act, 1953, made available until June 30 1954, for this purpose.

² Administrative expense limitation for 1953 increased by \$800,000.

³ Administrative expense limitation for 1953 increased by \$680,000.

⁴ Administrative expense limitation for 1953 increased by \$1,900,000.

⁵ Administrative expense limitation for 1953 increased by \$1,433,735.

⁶ Additional \$400,000 from the war claims fund made available in 1953 for administrative expenses.

⁷ Additional \$100,000 from the war claims fund made available in 1953 for administrative expenses.

⁸ Not to exceed \$200,000 of the unobligated balance of prior year funds to be continued available.

⁹ War Shipping Administration liquidation funds made available for payment of claims against "Working fund, Commerce, War Shipping Administration functions, December 31, 1946."

CHAPTER VIII

DEPARTMENT OF DEFENSE

SUBCOMMITTEE

GEORGE H. MAHON, Texas, *Chairman*

HARRY R. SHEPPARD, California
 ROBERT L. F. SIKES, Florida
 JOHN J. RILEY, South Carolina
 ALBERT GORE, Tennessee
 ANTONIO M. FERNANDEZ, New Mexico
 DANIEL J. FLOOD, Pennsylvania
 FOSTER FURCOLO, Massachusetts

JOHN TABER, New York
 RICHARD B. WIGGLESWORTH, Massachusetts
 ERRETT P. SCRIVNER, Kansas
 GLENN R. DAVIS, Wisconsin

TITLE I

MILITARY PUBLIC WORKS

SUBCOMMITTEE

JOHN J. RILEY, South Carolina, *Chairman*

FOSTER FURCOLO, Massachusetts

GLENN R. DAVIS, Wisconsin

To continue the imperative build-up of military construction to provide bases, installations, storage, and other necessary facilities to support our armed forces, the budget estimates of appropriations for fiscal year 1953 total \$2,990,487,740. These estimates were received six days prior to the time that the House Armed Services Committee reported out H. R. 8120 which contains a large part of the authorization for the budget estimates. This bill as reported by the Armed Services Committee (and as subsequently passed by the House on June 12, 1952) altered the basis of authorization anticipated in the budget estimates. The following table summarizes the adjustment and the action of the committee in the accompanying bill.

Summary on Military Public Works

	Budget estimate	Adjustment to conform to H. R. 8120 structure	Adjusted budget estimates	Committee bill	Bill compared with adjusted estimates
Office of Secretary (military construction, foreign countries).....	¹ \$650,000,000	—\$502,800,000	\$147,200,000	-----	—\$147,200,000
Department of the Army (military construction).....	414,515,000	+239,575,000	654,090,000	\$600,090,000	—54,000,000
Department of the Navy (public works).....	387,972,740	+33,225,000	421,197,740	386,409,840	—34,787,900
Department of the Air Force (acquisition and construction of real property).....	1,538,000,000	+230,000,000	1,768,000,000	1,200,000,000	—568,000,000
Total, Department of Defense, military public works.....	2,990,487,740	-----	2,990,487,740	2,186,499,840	—803,987,900

¹ The original bill before the House Armed Services Committee carried an authorization for the Office of the Secretary of Defense for the establishment and development of military installations and facilities in foreign countries (NATO), in a so-called title 5. The budget estimates included \$650 million partial funding of this proposed authorization in 1953. Title 5 was stricken in its entirety, and the portions thereof applicable to unilateral (full cost) financing by the United States redistributed to each of the three military departments. This accounts for the \$502,800,000 in the second column which is divided among the three services. The balance of \$147,200,000 is for multilateral financing (in which the United States and foreign governments are to participate), no provision for which is included in H. R. 8120 as passed by the House.

GENERAL STATEMENT

The timing of the appropriation request for military construction, actually preceding as it did the authorization bill, created a serious problem for the committee. It was necessary to start hearings on June 9, three days in advance of House action on H. R. 8120. The time lag in submitting the authorization requests to Congress was largely due to the inability of the Air Force, the Office of the Secretary of Defense, and the Bureau of the Budget to decide upon a program for the Air Force until the last hour. The committee understands that the Army and the Navy both had firm programs in January but were forced to wait upon the Air Force. In the hearings, therefore, the Army and Navy presentations were well prepared and understandable. However, the Air Force request was admittedly premised on certain assumptions which were difficult to follow. This problem will be developed more fully below.

Despite the extreme shortness of time allowed the committee to consider the military construction requests, the committee had availed itself of a running head-start on the entire problem by commencing hearings in February on the construction performance by the three services for the 14-month period ended August 31, 1951. These hearings, although identified as an "Investigation of Military Public Works," actually were in the nature of an exhaustive study of all the ramifications of appropriation, apportionment, planning, contracting, and construction of military public works by the services. They extended over the months, right up to the day of the hearings on the 1953 appropriation requests. In their course, the committee deemed it desirable and necessary to make a thorough study of the Moroccan Air Base operations, and accord a full hearing to all concerned. The Corps of Engineers and the contractor have been heard in full. The Air Force was represented throughout and the committee has invited both the Air Force and the architect-engineer firm to make a presentation of their position. It is expected this will take place shortly at which time the Moroccan record will be complete and the committee will file its report. In addition the committee will shortly file a separate report on the full military public works investigation.

Turning to the committee action on the appropriation requests, the committee is convinced that economies can and should be effected in military construction. One sound approach is the standardization of design for repetitive structures such as barracks, bachelor officer quarters, warehouses, administration buildings, mess halls, hospitals, etc. Throughout the investigation hearings the committee emphasized the vital importance of this approach and served due notice on each of the services that they must achieve a large degree of standardization in the 1953 program. The services have reported substantial steps forward in this direction, and each point to a standard barracks design recently firmed up. The result is a separate standard barracks for each of the services peculiarly adaptable to their respective requirements. The standard designs embody a sizeable reduction of the gross area per man without reducing each man's living space, and this feature alone represents extensive savings.

The second approach upon which the committee insists is the maximum utilization of existing structures. The services are not to build to replace existing structures and are not to build new structures

if any practicable means can be devised to utilize those already existing. More attention must be given to this problem, and promptly.

Another matter that was fully discussed with the services during the hearings was the absolute requirement that the money is to be expended for complete increments, that is, completely usable facilities. For example, the Air Force and Navy are not to build half a runway or half a hangar. The Army and Navy are not to build portions of a warehouse or a barracks. The services each gave the committee their firm pledge that this will be done.

The committee is at a loss to understand the action of the executive departments with respect to funds provided for advance planning. These funds are appropriated for the purpose of assuring that the armed services will accomplish sufficient advance study on unauthorized projects in order that their requests for authorization and appropriation will be sound. Specific continuing authorization for such funds was written into the 1952 authorization act (Public Law 155, 82d Congress). The appropriation bill which followed shortly thereafter advanced planning money for the Navy of \$5,000,000, for the Army of \$10,000,000, and for the Air Force of \$5,000,000. The services have strongly and repeatedly urged that such funds be made available, and Congress has fully recognized their efficacy. The Navy asked for and received from the Bureau of the Budget an apportionment of \$2.5 million in order to plan the current 1953 program. The Navy used the money wisely and the committee has accordingly had the benefit of a well prepared Navy program. In the case of the Army, the Bureau of the Budget refused to release the \$10,000,000 when requested in early March 1952. The result was that the Army had been forced to borrow \$6,000,000 from construction projects in the 1952 program in order to do the necessary advance planning for 1953. Not until the early part of June did the Bureau of the Budget release the \$10,000,000 to the Army. Of all three services the Air Force needed advance planning money the most and the Air Force's experience in this regard is paradoxical. On paper, the Bureau of the Budget released the \$5,000,000 advance planning money to the Air Force on November 17, 1951. However, the testimony in the hearings was uniformly to the effect that the Air Force was not permitted to use this money for advance planning until April 1952, long after the 1953 program was developed. This type of interdepartmental interference with the intent of Congress is not to be repeated.

The current bill provides ample funds to each of the three services for advance planning: \$52,620,000 for the Air Force; \$5,000,000 for the Army; and \$2.5 million for the Navy. Each of the services testified that these amounts were adequate and the committee fully expects that these funds will be released for the purpose just as soon as the services develop a further military public works program and it is approved by the Office of the Secretary of Defense and the Bureau of the Budget.

The committee has found it necessary to assure a better check on the utilization of the money in this bill. To this end, the committee has directed each service to furnish a monthly report on the obligation of the funds by line item and also to furnish with the monthly report a copy of all requests for apportionments and of all backup data in support thereof. In the case of the Air Force, the monthly

report will not be against line items, but will be against the categories and commands carried in the Air Force formula which will be discussed below.

GENERAL PROVISIONS

The budget estimate recommends the deletion of sections 602, 603, and 604 of last year's bill. The reason for this recommendation was requested from each of the three services, from the Office of Secretary of Defense, and from the Bureau of the Budget. Sections 602 and 603 contain important restrictions on the use of cost-plus-fixed-fee contracts and the "buying of construction time." They are both sound. Section 604 restricts the construction of laundry and dry cleaning facilities. None of the services expressed any objection to the continuance of the sections. The Bureau of the Budget and the Office of the Secretary of Defense seem lukewarm to the need for carrying them in the law but concede they are sound provisions. The committee has retained all three sections (designated as secs. 802, 803, and 804 in the accompanying bill) and has added to section 804 a restriction on the construction of bakeries in addition to laundry and dry cleaning facilities.

DEPARTMENT OF THE AIR FORCE

The budget estimate for the Air Force is in the amount of \$1.538 billion for 1953. (As explained at the outset of this chapter of the report, \$230 million was added to this figure by the House Armed Services Committee to provide military installations and facilities in foreign countries where the United States is paying the full cost on a unilateral basis. Therefore, the Air Force request totals \$1.768 billion). The committee recommends \$1.2 billion, a reduction of \$568 million.

For the purpose of immediate discussion consider the \$1.538 billion requested figure. This request is not against authorization of the same amount, but instead is against authorization in the amount of \$1.860 billion. What the Air Force is seeking to do is to obtain funds with which to build facilities costing \$1.860 billion, with only \$1.538 billion. The reason for this anomaly is that the Bureau of the Budget did not permit the Air Force to ask for more than the \$1.538 billion. At the same time, however, no deletions of any kind or character have been made from the actual physical bases, structures, and facilities which the Air Force desires to build to cost \$1.860 billion. In order to achieve this financial legerdemain, the Air Force adopted a purely fictitious basis for its appropriation presentation to the committee. The proposition is this: The Air Force would fund all the construction in the United States only to the extent of 75 percent, and still not leave anything out. Overseas, the funding would be 61.745 percent for some projects and 100 percent for others. The Air Force insists that this would not mean the construction of only 75 percent of a runway and 75 percent of a hangar in the United States, or 61.745 percent of such facilities overseas. To the contrary, the Air Force intends to build each of the facilities in toto. The result is phantom figures which have no meaning whatever.

The fiction does not end here. In the matter of 11 overseas projects, including bases in the United Kingdom, the House Armed Services

Committee did not permit authorization in the full amount of the Air Force request. The Air Force is not content to make any deletions of the actual physical structures from these bases, but recognizes that it must stay within the dollar amount authorized. In order to have all the bases and everything on them, the Air Force has requested this committee for funds to cover each and everyone of the facilities which will cost more than the authorization amount. The Air Force solution is simple—simply reduce the cost factor of 2.5 to 1.5. In other words the Air Force knows what the cost will be, and has cut the cost factor to the extent necessary to get everything it feels it needs and not have enough money to pay for it.

This sophistry caused the committee deep concern, and the committee decided upon forthright action in the form of getting directly from the Secretary of Defense, the Secretary of the Air Force, and the Director of the Budget clear, full and frank statements.

In the first place the committee learned that the 1952 public works program for the three services was far from being firm, even though the committee had been given assurances at the time that the program was firm. As to the 1953 program, the committee learned from the Director of the Budget that it had been presented to both the Armed Services Committee and to this committee at too late a date "to do an effective job of reviewing and examining", and that the figures and justifications before the committee are not firm in some unidentified particulars. The Director further stated that he did not like the situation any better than the committee did, and that more of a machinery or mechanism for review in the Department of Defense is necessary than exists at the present time. (This discussion centered primarily around the Air Force program). The Director also frankly conceded that a dual standard for action by the Bureau of the Budget has apparently developed—one basis for presentation to the Congress in order to get appropriations, and a second or review basis by the Bureau of the Budget before funds are released for the construction of those items justified to the Congress.

The committee had before it and gave serious consideration to the statements made off the record by the Secretaries of Defense and of the Air Force. From these discussions the committee has arrived at the figures in the accompanying bill, using its own judgment as indicated in this report.

Getting directly to the matter of appropriations for fiscal year 1953, the Secretary of the Air Force advised the committee that the Air Force does not have a firm program and would do wrong if it were to attempt a firm program. This statement is fully understandable. When the Air Force justified its 1952 program to the Congress in September 1951, it was on the basis of a 95-wing program and the appropriations were made on that basis. However, before that program could get off the ground, there was a top policy decision to expand the Air Force to 143 wings. As a result, only \$700,000,000 of the 1952 appropriation of \$2.2 billion will be obligated by June 30, 1952, leaving a carry-over to the new fiscal year of unobligated money in the amount of about \$1.5 billion. The Secretary and other Air Force officials stated that it would have been wrong for the Air Force to obligate the 1952 money on any faster basis because it could not have been obligated against the new 143-wing program. This appears logical to the committee.

The Air Force testified that it will not be able to obligate the \$1.5 billion carry-over until December 31, 1952, and further that planning lead time is required for the money being requested for 1953. This planning will require a period of 4 to 6 months. So long as planning money is made available for this purposes—and the committee is allowing \$52,620,000—the Air Force will be able to continue its base structure build-up on schedule. The next question is how much construction money will be needed to continue construction in the early months of calendar year 1953. The Secretary of the Air Force very frankly stated that if the committee were to appropriate the requested \$1.538 billion, it would have to do so blindly, and that he does not like to ask the committee to do this.

At this juncture the committee was remitted to the position of working some semblance of order from a very confused, unsatisfactory picture. The primary and predominant consideration is, and necessarily is, to support the Air Force in its sorely needed build-up of base structures to match planes and personnel. This must be done at all odds. The committee is decidedly disappointed at the lag in the construction of Air Force bases. As of June 30, 1952, only a fractional part of the air base build-up for 143 wings will be under way. This is less than expected by the Congress. The pace must be accelerated. Congress has not failed at any stage to provide the funds, and will not do so. However, the Congress must have a firm basis upon which to support the Air Force and at the same time to discharge its own responsibilities in the matter.

The committee requested the Air Force Secretary to present a program, in lieu of the budget request, which will not in any sense retard the build-up of air striking power, and at the same time assure on the part of the Air Force and the Department of Defense an opportunity to take a reading on where the Air Force is going in construction. The Secretary agreed with this approach and studied the matter carefully. The net result is an approach satisfactory to the committee and to the Air Force. The Secretary stated that the Air Force requires an appropriation at this time of \$1.250 billion, including \$52,260,000 for planning money. The first indication on his part was that this amount would run the Air Force until April 1, but in the final stages he stated that it would carry until June 1, provided the Air Force is given a supplemental appropriation by April 1. What is then involved is the money which the Air Force believes it can obligate in the first 3 to 5 months of calendar 1953. There is some uncertainty in the expected rate of obligation. The best estimate of the Air Force is \$250–\$300 million a month for those months. Although the Air Force proposed a formula on the basis of \$1.250 billion for this period, the committee feels strongly that \$1.2 billion will be fully adequate for the purpose, and has allowed that much.

In this approach to a very complex problem, the committee has found it necessary to earmark the \$1.2 billion against air commands in the United States and overseas and to types of activities within the commands. The Air Force is agreeable to this type of control and has submitted a formula in effectuation thereof. The total appropriation is being made against a total authorization of \$2,461 billion. This dispels to the extent possible the original fictitious Air Force approach and puts the entire program on an understandable and controllable basis. The Acting Chief of Staff of the Air Force was present at the

discussion in the hearings of this approach, and he stated that the plan is a very good and workable one.

The formula is shown in the tables which immediately follow. The first table is for appropriations within the United States which total \$560 million, and the second table is for overseas which total \$690 million. These figures total \$1.250 billion. As stated previously, the committee feels that \$1.2 billion is fully adequate and therefore it is necessary that each category and command in the tables be reduced by 4 percent. The figures shown in the tables include unilateral funding of the NATO bases for which the House Armed Service Committee added \$230 million to the Air Force authorization. The tables are as follows:

U. S. Air Force public works appropriation schedule, fiscal year 1953

ZONE OF INTERIOR

[Amounts in thousands of dollars]

Command category—within the United States	Pavements	Operation facilities, including commercial-navigation aids and POL	Housing, troop and family	Maintenance, storage, and shops	Medical facilities	Administration, community and training	Land, utilities, harbors and docks	Research and development, laboratories and miscellaneous	Total
Strategic Air Command:									
Authorization.....	\$155,768	\$43,042	\$74,142	\$68,225	\$10,973	\$6,251	\$50,753	\$7,500	\$416,654
Appropriation.....	115,000	30,000	50,000	45,000	7,000	4,000	30,000	4,000	285,000
Air Defense Command:									
Authorization.....	14,064	8,690	12,165	20,996	1,515	3,753	15,222	82	76,487
Appropriation.....	9,000	5,000	9,000	12,000	1,000	1,000	8,000	0	45,000
Tactical Air Command:									
Authorization.....	31,014	8,590	24,358	24,060	2,035	2,282	9,477		101,816
Appropriation.....	20,000	5,000	15,000	12,000	1,000	1,000	6,000	0	60,000
Air Training Command:									
Authorization.....	53,150	8,031	29,550	26,757	84	12,229	10,247		140,048
Appropriation.....	33,000	4,000	15,000	15,000	0	10,000	8,000	0	85,000
Research and Development Command:									
Authorization.....	14,066	1,236	8,057	11,858	242	5,500	11,416	49,422	101,797
Appropriation.....	6,000	500	3,000	3,000	0	2,500	2,000	3,000	20,000
Other:									
Authorization.....	26,673	10,399	14,097	84,683	492	14,815	30,361	71,737	253,257
Appropriation.....	9,000	6,000	6,000	24,000	0	9,000	9,000	2,000	65,000
Total, United States:									
Authorization.....	294,735	79,983	162,369	236,579	15,341	44,830	127,476	128,741	1,090,059
Appropriation.....	192,000	50,500	98,000	111,000	9,000	27,500	63,000	9,000	560,000

U. S. Air Force public works appropriation schedule, fiscal year 1953—Continued

OVERSEAS

[Amounts in thousands of dollars]

Command category—Overseas	Pavements	Operation facilities including communication and navigation aids, POL and AC & W	Housing, troop and family	Maintenance, storage and shops	Medical facilities	Administration, community and training	Land, utilities, harbors and docks	Residual funding	Total
Alaskan Air Command:									
Authorization.....	\$26,120	\$14,962	\$37,425	\$11,436	\$1,714	\$565	\$41,689	0	\$133,911
Appropriation.....	7,000	6,000	15,300	5,000	1,700	0	25,000		60,000
Far East Air Forces:									
Authorization.....	40,376	15,574	25,970	9,477		5,087	11,521	\$2,838	110,843
Appropriation.....	15,000	7,500	15,000	4,000	0	2,000	5,000	1,500	50,000
North East Air Command:									
Authorization.....	86,904	32,556	6,335	31,118		488	26,594	19,925	203,920
Appropriation.....	32,000	25,000	4,000	20,000	0	0	20,000	19,000	120,000
United States Air Force in Europe:									
Authorization.....	133,240	40,849	28,000	47,648	3,469	7,238	33,151	45,165	338,760
Appropriation.....	70,000	20,000	15,000	23,500	1,500	3,000	15,000	42,000	190,000
Authorization (unilateral NATO).....	25,000	9,000	85,000	58,000	12,000	23,000	18,000	0	230,000
Appropriation.....	9,000	3,000	30,000	20,000	4,000	8,000	6,000	0	80,000
Military Air Transport Service									
Authorization.....	92,079	25,902	6,688	13,697	2,852	675	28,701	1,069	171,663
Appropriation.....	48,000	14,000	4,000	8,000	1,500	0	14,000	500	90,000
Other:									
Authorization.....		126,977		25,315	0	1,074	3	29,000	182,369
Appropriation.....	0	80,000	0	20,000	0	0	0	0	100,000
Total overseas:									
Authorization.....	403,719	265,820	189,418	196,691	20,035	38,127	159,659	97,997	1,371,466
Appropriation.....	181,000	155,500	83,300	100,500	8,700	13,000	85,000	63,000	690,000
Grand total:									
Authorization.....	698,554	345,708	351,787	433,270	35,376	82,957	287,135	228,738	2,461,525
Appropriation.....	373,000	206,000	181,300	211,500	17,700	40,500	148,000	72,000	1,250,000

The authorization amount shown in these tables is composed of \$2,089,277,000 carried in H. R. 8120, and \$372,248,000 of unfunded prior years' authorization, totaling \$2,461,525,000.

The Air Force has requested some flexibility in the application of the funds as between commands, and the committee feels that this is reasonable. Therefore, the Air Force may vary total funding within the various commands not to exceed 10 percent without referral to the Appropriation Committees. No flexibility is permitted between the categories of activities without prior referral to the Appropriations Committees. The committee is to be kept advised of the obligations of funds by commands and by categories in the form of monthly reports which are to be accompanied by copies of requests for apportionments of funds and back-up data in support thereof.

The appropriation of \$1.2 billion includes a total of \$52,620,000 which shall be made available immediately for planning and may be withdrawn from any of the commands or categories with later adjustments at the option of the Air Force between commands or categories to replace up to the original amount where required to prosecute the construction program. The Air Force has agreed that it does not need planning funds separate from the total appropriation against which the planning funds may be drawn. These planning funds are to include advance planning, master planning, and investigational engineering.

The Air Force has authorization for construction at Lincoln, Nebraska, of \$9,093,000 for the Strategic Air Command. The field at Lincoln, Nebraska, is currently a municipal airport which is being used also by an Air National Guard unit, a Ground National Guard unit, and by the Navy for training purposes. The Air Force has decided to install its Strategic Air Command Base at Lincoln, and has given notice to the Navy that it will have to readjust its own facilities on the field or else move to another base. The Navy has chosen the latter course and has proposed in its own appropriation request that it be permitted to expend \$3,500,000 at the Omaha Municipal Airport at Omaha, Nebraska. The committee discussed this matter with representatives of both the Air Force and the Navy in the hearings and the committee has concluded after considering the question that the Air Force and the Navy should jointly study the situation further. For that reason the committee has inserted in the bill a proviso that no funds shall be expended (except for planning) in connection with the proposed Strategic Air Command installation at Lincoln Municipal Airport, Lincoln, Nebraska.

The Air Force bases upon which construction is permitted by the appropriation made in the bill within the continental United States are listed by base in the following tabulation:

- | | |
|-----------------------------|------------------------------|
| 1. Barksdale AFB | 11. Hunter AFB |
| 2. Biggs AFB | 12. Lake Charles AFB |
| 3. Carswell AFB | 13. Lakeland Apt. |
| 4. Castle AFB | 14. Limestone AFB |
| 5. Clinton NAS | 15. Limestone Aux. A & B |
| 6. Davis-Monthan AFB | 16. Lincoln AFB ¹ |
| 7. Dow AFB | 17. Little Rock AFB |
| 8. Fairchild AFB | 18. Lockbourne AFB |
| 9. Forbes AFB | 19. MacDill AFB |
| 10. Homestead-Dade Co. Apt. | 20. March AFB |

¹ Planning only.

21. Mt. Home AFB
22. Offutt AFB
23. Plattsburg Barracks
24. Rapid City AFB
25. Sedalia AFB
26. Selman Field
27. Sioux City Mun. Apt.
28. Smoky Hill AFB
29. Stead AFB
30. Turner AFB
31. Tye Field
32. Walker AFB
33. Westover AFB
34. Burlington Apt.
35. Duluth Mun. Apt.
36. Geiger Field
37. Greater Pittsburgh Apt.
38. Hamilton AFB
39. Houma Gunnery Range
40. Kinross AF Aux.
41. Larson AFB
42. Majors Field
43. McChord AFB
44. McGhee-Tyson Apt.
45. Minneapolis-St. Paul Int. Apt.
46. Newcastle Co. Apt.
47. Niagara Falls Mun. Apt.
48. O'Hare Int'l Apt.
49. Oscoda AFB
50. Otis AFB
51. Oxnard AFB
52. Paine Field
53. Palmdale-Los Angeles Apt.
54. Portland Int'l Apt.
55. Presque Isle AFB
56. Selfridge AFB
57. Stewart AFB
58. Suffolk AFB
59. Truax Field
60. Punta Gorda
61. Yuma Co. Apt.
62. AC & W Canada
63. AC & W U. S.
64. Alexandria Mun. Apt.
65. Altus AFB
66. Ardmore Mun. Apt.
67. Blytheville Mun. Apt.
68. Bunker Hill NAS
69. Charleston Mun. Apt.
70. Clovis AFB
71. Donaldson AFB
72. Galveston Mun. Apt.
73. Myrtle Beach AFB
74. Raleigh-Durham Mun. Apt.
75. Seymour-Johnson Fld.
76. Sewart AFB
77. Shaw AFB
78. Big Spring AFB
79. Bryan AFB
80. Connally, James AFB
81. Craig AFB
82. Ellington AFB
83. Foster Field
84. Goodfellow AFB
85. Haringen All-Valley Mun. Apt.
86. Laredo Mun. Apt.
87. Laughlin AFB
88. Luke AFB
89. Mather AFB—
90. Moody AFB
91. Moore Field
92. Nellis AFB
93. Perrin AFB
94. Pinecastle AFB
95. Randolph AFB
96. Reese AFB
97. Scott AFB
98. Tyndall AFB
99. Vance AFB—
100. Wichita AFB
101. Williams AFB
102. Birmingham Mod. Ctr
103. Brookley AFB
104. Gentile Spec'd Depot
105. Hammond AFB
106. Hill AFB
107. Kelly AFB
108. Lynn Haven Pet. Stge.
109. Norton AFB
110. Robins AFB
111. 831st Spec'd Depot Shelby
112. Tinker AFB
113. Wright-Patterson AFB
114. Palm Beach Int'l Apt. (Morri-
son)
115. Camp Beale
116. Dobbins AFB
117. Godman AFB
118. Long Beach Mun. Apt.
119. Various
120. Arnold Eng Dev. Ctr.
121. Bedford Res. Ctr. (Hanscom)
122. Hqs. ARDC
123. Edwards AFB
124. Griffiss AFB
125. Holloman AFB
126. Lockland Plant
127. Patrick AFB
128. Kirtland AFB
129. Eglin AFB
130. Bolling AFB
131. Gunter AFB
132. Maxwell AFB
133. School of Aviation Med. Brooks
AFB
134. Various—Comm. & Navaid Fac.
135. Various—Land & Utils. Wherry
Housing
136. Various—Overrun Prev. Budget
137. Various—Community Fac.

DEPARTMENT OF THE NAVY

The budget estimate for the Navy is in the amount of \$387,972,740 for 1953. (As explained at the outset of this chapter of the report, \$33,225,000 was added to this figure by the House Armed Services Committee to provide NATO facilities where the United States is paying the full cost on a unilateral basis. Therefore, the Navy request totals \$421,197,740.) Of this amount, \$16,347,000 was for projects not authorized in H. R. 8120 as finally passed by the House and of course no appropriations are being made therefor. The committee recommends \$386,409,840, a total reduction of \$34,787,900, of which the afore-mentioned \$16,347,000 is a part.

The committee has had the benefit of a thorough preview of the Naval construction program in the extensive investigation hearings. The Chief of the Bureau of Yards and Docks, on the basis of developments in those hearings, initiated a new program of direct check on the various Naval Districts for the purpose of screening plans and specifications drawn for construction. The result has been most gratifying. After only three months of operation under this new system, the Navy reported to the committee on June 11, 1952, that economies had been effected to the extent of \$32,000,000 on the 1952 construction program of \$800,000,000, or an over-all total of 4 percent. This is a commendable performance which the committee is pleased to recognize. The screening has been carried into the pending appropriation request so that the pending figure is actually \$16,000,000, or 4 percent, less than it otherwise would have been.

The committee is satisfied as to the soundness of the Navy budget and that installations contained in the 1953 program (with certain exceptions noted below) are needed for the buildup of shore facilities necessary by the readiness date to support the fleet. There are certain projects which can be deferred at this time, however, and the committee recommends that they be deferred.

The Navy budget includes funds to move its aviation training facilities from Lincoln Municipal Airport, Nebraska, to Omaha Municipal Airport, Nebraska, as a part of the Air Force's proposal to install a Strategic Air Command Base at Lincoln. (This was discussed in the Air Force portion of this chapter.) The committee strongly feels that the Navy should not be provided with funds in the amount of \$3.5 million to build new facilities at Omaha in advance of a joint Air Force-Navy study of the over-all problem, and has, therefore, deleted this item.

The budget included several items for expansion of Naval hospital and other medical facilities, including the sum of \$11,679,000 for a permanent hospital of 800 beds on a 1,500-bed chassis at Norfolk, Virginia. This buildup of hospital facilities is logical and needed. However, \$2,500,000 was appropriated in the 1952 bill for acquisition of land, architect-engineer services, site preparation and foundations for the Norfolk hospital. This advance work is underway, and it appears that this project will not be retarded if construction funds are deferred at this time.

The request for \$700,000 for an addition to the Medical Radiological Research Laboratory at Bethesda, Maryland, is an item that the committee believes can be deferred at this time and the committee has accordingly deleted it.

There are two other items in the Navy program which, in the opinion of the committee, can be deferred, and the committee has also deleted them. One is an item for post maintenance shops and administration building at Quantico, Virginia, totaling \$2,210,000, and \$351,900 to relocate the telescope from the Naval Observatory in Washington, D. C., to Flagstaff, Arizona.

The Navy has demonstrated a deplorable lack of foresight, and candor with the committee on a previous occasion in the matter of land acquisition for the Naval Amphibious Base at Little Creek, Virginia. The item for purchase of an additional 127.7 acres is not being deleted, but the committee is displeased at the Navy's defective planning for this base.

A final item in the Navy program of which the committee desires to take note is the one for improvements to the water aqueduct at Key West, Florida. The request is for \$495,000. This work is proposed to be done by reason of the Navy's obligation under a contract to furnish water for the civilian population of Key West in addition to its prime obligation to furnish water for the Governmental installation there. The committee feels that the Navy should examine carefully the propriety of increasing the civilian water rates in light of this additional expenditure upon the part of the Government on this aqueduct and related facilities. From the testimony in the hearings it appears that this additional investment is solely for civilian use. If this is the case, it is expected that the civilian beneficiaries will amortize its cost.

DEPARTMENT OF THE ARMY

The budget estimate for the Army is in the amount of \$414,515,000 for 1953. (As explained at the outset of this chapter of the report, \$239,575,000 was added to this figure by the House Armed Services Committee to provide NATO facilities where the United States is paying the full cost on a unilateral basis. Therefore, the Army request totals \$654,090,000.) The committee recommends \$600,090,000, a reduction of \$54,000,000.

In the committee's study of the construction performance by the Corps of Engineers for the 14 months' period ending August 31, 1951, the committee was impressed with the magnitude of the construction operations which the Army Corps of Engineers is expected to perform. They are of far greater scope than those of the Navy's Bureau of Yards and Docks. The Corps of Engineers has a responsibility for the construction of all of the Army construction projects, and in large measure for the Air Force construction projects, in addition to the civil works projects within the United States. Throughout the build-up period since the commencement of hostilities in Korea in June 1950, the Corps of Engineers has not had available to it a sufficient number of trained engineer officers to undertake the vast responsibilities thrust upon the Corps. As a result, it fairly appears that the Corps has been spread thin.

Although in the investigation hearings the Navy took the cue from the committee and inaugurated the system of screening described previously herein with the resultant savings of 4 percent on the 1952 public works program, the Corps of Engineers because of its decentralization and broader construction undertakings was apparently not able

to give the same attention to the need for the economies which can and will result from a careful screening of construction projects.

The committee definitely feels that the Corps should have the opportunity to devise an appropriate system of achieving economies in its construction operations and that if this is done the Corps will be able to report on the 1953 construction program embodied in this bill savings in at least the amount of 4 percent, commensurate with those achieved by the Navy. Therefore, the committee has reduced the Army appropriation request by approximately 4 percent, or \$24,000,000.

Another factor taken into consideration is the fact that many of the Army projects in the 1953 budget have not had the benefit of advance planning in that there was a reluctance on the part of the Office of the Secretary of Defense and the Bureau of the Budget to make advance planning funds available to the Corps. It is the feeling of the committee that no time will be lost in the construction of Army projects covered by the current request if the planning lead time of 4 to 6 months is devoted to planning. At the conclusion of this planning the Corps should be in a better position to determine which projects can be deferred and which projects can be undertaken on a more economical basis.

The committee strongly feels that the \$54,000,000 reduction in the Army request is fully warranted under the circumstances. There are three specific items which may well be able to absorb a goodly part of the reduction. The first of these is barracks spaces. Army representatives testified that there are at this time 296,798 empty spaces in permanent Army barracks. In the current budget the Army is asking for \$37,000,000 for an additional 16,900 permanent barracks spaces and another item of \$1.1 million for 1,040 modified emergency barracks spaces. These figures total \$38.1 million for additional barracks spaces. The second item is the Army request for \$12.8 million for operational and administrative facilities. There is undoubtedly some area in these proposed programs which can be substantially reduced without harm to the over-all buildup. The items for the additional barracks spaces and for the additional operational and administrative facilities total \$50.9 million. The committee feels that probably as much as 50 percent can be deleted from these two items, or at least a third for the present.

In the matter of the construction of additional barracks spaces, there should be no construction of additional barracks spaces on those bases and installations where there are empty spaces at this time. Stated another way, those bases and stations should be the last to get new barracks, if there is enough money left to build barracks there.

The third item which gave the committee some concern was the buildup of expensive living quarters at research bases such as Sandia, New Mexico, and other places. The committee desires to make it abundantly clear that in this austerity program of military construction there is no room for "plush" features of construction anywhere. Conservation of dollars is just as important as the buildup of military strength. There is a definite compatibility between the two, and it is the decided duty of the military to trim from construction projects all items of over-design, elaborateness, excessive spacing and furbelows.

TITLE II

DEPARTMENT OF THE ARMY

SUBCOMMITTEE

ROBERT L. F. SIKES, Florida, *Chairman*

DANIEL J. FLOOD, Pennsylvania

ERRETT P. SCRIVNER, Kansas

ALASKA COMMUNICATIONS SYSTEM

The bill includes \$1,400,000 for the construction of buildings and facilities in Alaska, a reduction of \$1,980,700 from the budget estimate. The total request of \$3,380,700 was based on both existing and pending legislative authority. The committee is advised that H. R. 7725 which contains the additional legislative authority on which a part of the requested appropriation was based will not in all probability be enacted into law during this Congress. It is therefore recommending an amount to cover the currently authorized projects less the cost of certain authorized projects for which apparently there is no need and which the Army has proposed be deauthorized.

The committee in its report on the regular bill for the Department of the Army suggested that the Army consider transferring operation of the Alaska Communications System to a management fund. This suggestion is now restated, and in addition it is suggested that the Bureau of the Budget review all business-type activities in Alaska, including construction of housing and the Alaska Railroad, with the view of recommending legislation to place the operation of those activities under one corporate or management fund. It has been apparent for some time, with the continued economic growth of this Territory, that the combined military and commercial operation of these enterprises has not been overly satisfactory from either a military or fiscal standpoint and should be separated. The committee will expect the Bureau of the Budget to make a full report on this subject at the time of presentation of the budget for 1954.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
	DEPARTMENT OF DEFENSE			
	TITLE I			
	MILITARY PUBLIC WORKS			
485	Office of Secretary of Defense (military construction, foreign countries)-----	\$650, 000, 000	-----	-\$650, 000, 000
485	Department of the Army (military construction)-----	414, 515, 000	\$600, 090, 000	+185, 575, 000
485	Department of the Navy (public works)-----	387, 972, 740	386, 409, 840	-1, 562, 900
485	Department of the Air Force (acquisition and construction of real property)-----	1, 538, 000, 000	1, 200, 000, 000	-338, 000, 000
	Total, military public works-----	2, 990, 487, 740	2, 186, 499, 840	-803, 987, 900
	TITLE II			
488	Department of the Army (construction, Alaska Communications System)-----	3, 380, 700	1, 400, 000	-1, 980, 700
	Total, chapter VIII-----	2, 993, 868, 440	2, 187, 899, 840	-805, 968, 600

CHAPTER IX MUTUAL SECURITY

SUBCOMMITTEE

J. VAUGHAN GARY, Virginia, *Chairman*

JOHN J. ROONEY, New York

JOE B. BATES, Kentucky

CHRISTOPHER C. McGRATH, New York

RICHARD B. WIGGLESWORTH, Massachusetts

FREDERIC R. COUDERT, Jr., New York

CLIFF CLEVENGER, Ohio

SCOPE OF CHAPTER

The committee considered estimates totalling \$6,526,060,750 covering the titles "Government and Relief in Occupied Areas", "Government in Occupied Areas", and "The Mutual Security Program". These estimates are contained in the President's budget at pages 711-713, and 916-917, and in House Documents 510 and 512, respectively. These programs are administered by: the Department of Defense, through the Department of the Army, for the Government and Relief in Occupied Areas activity; the Department of State for the Government in Occupied Areas activity; and the Office of the Director for Mutual Security, in conjunction with the Mutual Security Agency, the Department of Defense, and the Department of State, for the Mutual Security Program.

The table which follows summarizes the committee action by major title of appropriation. The detailed tabulation appears at the conclusion of this chapter.

Summary of committee action

Title	Agency or item	Appropriation, 1952	Estimates, 1953	Recommended in this bill	Bill compared with—	
					Appropriations, 1952	Estimates, 1953
I	Government and Relief in Occupied Areas.....	\$22,500,000	\$12,820,000	\$11,000,000	—\$11,500,000	—\$1,820,000
II	Government in Occupied Areas.....	26,880,000	20,500,000	19,000,000	—7,880,000	—1,500,000
III	Mutual Security:					
	Title I—Europe.....	5,774,615,847	4,698,057,750	4,556,257,750	—1,218,358,097	—141,800,000
	Title II—Near East and Africa.....	552,506,000	741,430,500	711,430,500	+158,924,500	—30,000,000
	Title III—Asia and Pacific.....	920,542,866	931,220,000	862,220,000	—58,322,866	—69,000,000
	Title IV—American Republics.....	55,995,653	78,014,750	72,014,750	+16,019,097	—6,000,000
	Title V—Miscellaneous Economic Assistance.....	25,243,610	44,017,750	44,017,750	+18,774,140
	Subtotal, Mutual Security.....	7,328,903,976	6,492,740,750	6,245,940,750	—1,082,963,226	—246,800,000
	Total of chapter.....	7,378,283,976	6,526,060,750	6,275,940,750	—1,102,343,226	—250,120,000

TITLE I—DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS

Government and Relief in Occupied Areas.—The committee recommends \$11,000,000 for this activity, a reduction of \$1,820,000 in the budget estimate and \$11,500,000 below the amount appropriated for fiscal year 1952. The large reduction in the requests for 1953 as compared with 1952, is due primarily to the elimination of funds for Japan. The funds allowed are to provide economic aid, reorientation, and administration costs for the Ryukyus Islands and for expenses of the United States representatives in the Allied Military Government Organization in Trieste. Of the amount allowed, \$1,500,000 is for administration, a reduction of \$645,000 in the amount originally requested.

Language proposed to permit conclusion of certain construction projects by extending the availability of not to exceed \$1,725,000 of funds appropriated for fiscal year 1950, is recommended. The three projects involved are a steam power plant, a road construction program, and a harbor development program at the port of Naha.

TITLE II—DEPARTMENT OF STATE

Government in Occupied Areas.—The bill includes \$19,000,000 for carrying out United States programs in Germany and Austria. The amount recommended is \$1,500,000 below the budget estimate and \$7,880,000 below the amount provided for fiscal year 1952.

The estimates reflected a decrease from the 1952 appropriation predicated on the termination of occupation activities in Germany and the establishment of the United States mission on an embassy basis. However, the committee feels that the decrease proposed was not commensurate with the reduction in functions and services and recommends a further reduction of \$1,127,500, thus making \$15,572,500 available for Germany.

It should be noted that in addition to the dollar appropriation for Germany, there was requested the equivalent of \$31,133,000 in deutschemarks to be derived from GARIOA counterpart, operating revenues, occupation costs, and surplus property credits.

A breakdown of the Exchange of Persons Program for the fiscal years 1951 and 1952 as compared with the proposed program for 1953 was presented in the budget justifications. The committee was shocked to note that the category "Religious affairs" had been completely eliminated from the program for 1953 although such other categories as "Social services", "Libraries and museums", "Teenagers", etc. were either increased or continued at substantially the same level as 1952. The committee urges that this apparent lack of proper consideration of the importance of religious affairs in international relationships be given prompt attention by the top administrative level.

The situation in Austria remains largely a stalemate. The committee recommends \$3,427,500, a reduction of \$372,500 in the request, for carrying on the activities in that country. In addition to the dollar appropriation request, it was estimated that the equivalent of \$6,211,893 in Austria schillings would be obligated from operating

revenues, reimbursement by MSA, ECA surplus schilling deposits and surplus property credits.

The committee has included language making available, not to exceed \$25,000,000 in surplus property credits for Germany and Austria in the event sufficient currencies are not available from other sources. The committee requests that in future budgets dollar appropriations be requested to cover all expenditures. Dollars will then be used to purchase from the United States Treasury foreign currencies or credits owed to or owned by the Treasury of the United States for carrying out the purpose of said appropriation. The unlimited use of foreign currencies and credits owed to or owned by the United States must be discontinued. The limitation placed on the availability of surplus property credits will enable the Department to carry on its estimated use of deutschemarks and schillings to the extent submitted to the committee. The total obligations for each program however, are not to exceed the amounts justified before the committee.

TITLE III—MUTUAL SECURITY

In formulating the authorizing legislation the Mutual Security Program has during this session received the careful consideration of three legislative committees of the Congress and of both the House of Representatives and the Senate. The additional extensive hearings and intensive study by the Committee on Appropriations largely confirms the wisdom of action already taken. However, as a result of the availability of more recent information and a painstaking analysis of financial data related to program operations, the committee has been able to reduce the estimate by \$246,800,000.

It was obvious to the committee from the information furnished to it that the amounts of funds appropriated to the Department of Defense for the build-up of our own military force plus the amounts appropriated for military assistance to our allies constitutes a total which, without further curtailment of our civilian production, is beyond our industrial capacity to translate into military goods as rapidly as called for by the schedules upon which the appropriations were based. Faced with this situation the military establishment has given first priority to the fulfillment of its own needs with the result that funds appropriated for military assistance under Mutual Security have neither been obligated nor expended as promptly as planned. The backlog of unfilled needs, for which appropriations had already been made, was taken into consideration in "stretching out" the program when the budget estimates for 1953 were prepared. However, those estimates were based on the premise that obligations and expenditures for the program during the last few months would increase somewhat more than has proven to be the case. On the basis of a careful study of voluminous technical data from the books of the Department of Defense the committee is convinced that a further reduction of \$200,000,000 can be made in the military assistance program without effecting in the slightest degree the orderly scheduling of deliveries necessary to the fulfillment of this program.

The committee has allowed \$1,849,306,250 for all types of economic assistance. The major part of this phase of the program is for "defense support", that type of economic aid which directly results in increased output of military items. Further reductions than those already made in the authorizing legislation would be short-sighted in

that they would very likely result in loss of potential military production worth several times the amount of short-term saving.

The committee was pleased to note that the division of shipping as between foreign and American ships has worked out satisfactorily and in accordance with the intent of the Congress that at least 50 percent of the materials be carried in United States ships as expressed in the authorizing legislation.

The committee notes that the Mutual Security Agency has not included tobacco as an item to be financed. The Agency has indicated that it considers that adequate supplies of leaf tobacco to manufacture products acceptable to consumers are essential to the purposes and objectives of the Mutual Security Program and are necessary to support the defense effort but believes that the requirements for United States tobacco can be financed with dollars from other sources. The committee accepts this explanation but trusts that the Agency will constantly review the tobacco supply situation in the various countries receiving aid under the program and will lend its assistance to see that adequate supplies of tobacco are provided.

There are certain phases of the Mutual Security Program that involve entering into agreements with other countries or groups of countries. Under the Constitution the Executive Branch of the Government has the power to conduct international affairs subject only to ratification by the Senate of any treaties which may be determined upon and subject to the confirmation by the Senate of appointments of ambassadors, ministers, etc. For many years these provisions of the Constitution very definitely limited the role of Congress in international affairs to the matters which could be submitted to the Senate. However, during recent years international arrangements have involved expenditures of large sums of money, a high percentage of which comes out of the Treasury of the United States. Because of the provision in the Constitution which requires that no money be expended out of the Treasury except in consequence of an appropriation made by law, the Congress has a far larger share in international affairs than formerly was the case. In fact, so far as international arrangements and programs are related to expenditure of funds, the power of Congress is exactly the same with respect to international matters as with respect to domestic matters. It must be pointed out that during the past few years the Congress has more than once been confronted with a proposal to expend large sums of money which was based on an agreement entered into by the Executive Branch of the Government and which was stated by the Executive Branch to have been so final in its terms as to be a matter of great embarrassment to the United States should the Congress fail to appropriate the full amount proposed. The Committee on Appropriations does not desire to deny or refuse to meet any real obligation on the part of the United States and the committee has always been careful to recommend appropriations to the Congress when necessary to meet obligations incurred or a just debt.

The Committee on Appropriations desires to state, however, that it will not consider as either morally or legally binding on the United States any agreement with a foreign government involving the expenditure of funds out of the United States Treasury unless an appropriation is legally available to the department or agency of the United

States making said agreement for the purpose at the time the agreement is entered into.

TITLE I—EUROPE

The committee recommends \$4,556,257,750 for this title of which \$3,273,824,750 is for military assistance and \$1,282,433,000 is for defense support. The amount recommended represents a reduction of \$141,800,000 in the budget estimates and a reduction of \$1,218,358,097 below the comparable appropriation for fiscal year 1952.

MILITARY ASSISTANCE

The \$3,273,824,750 included in this title provides for material and training assistance for the following countries: Belgium-Luxemburg, Denmark, France, Italy, Netherlands, Norway, Portugal, United Kingdom, and Yugoslavia. In addition, the funds proposed would provide for assistance in equipping forces which might be contributed to the proposed European Defense Community, which would include German contingents, if the pending treaty for Establishment of the European Defense Force is ratified. This appropriation also includes provisions for the United States contribution to the expenses of NATO military and civilian headquarters, the expenses of the Standing Group, the escapee program, and all of the administrative expenses of the Mutual Security Program. The sum of \$43,790,000 was requested for administration. The committee has allowed \$42,000,000, a reduction of \$1,790,000. This compares with an estimated obligation of \$42,031,154 for fiscal year 1952.

The amount recommended for this item is \$141,790,000 below the budget estimate of which \$140,000,000 is to be applied to the military assistance program and the remainder to administration.

ECONOMIC AND TECHNICAL ASSISTANCE

The committee has approved \$1,282,433,000 for "Defense support" for Europe made up of \$1,247,883,000 for direct "country aid", \$15,500,000 for technical assistance, \$19,000,000 for basic materials development and \$50,000 as a confidential fund. The reduction of \$10,000 made in this title is to correct a typographical error in the budget submission. The following table shows how these funds are programed by country with the comparable 1952 amounts.

United States defense support

[Millions of dollars]

Country	United States defense support	
	Fiscal year 1952	Fiscal year 1953 ¹
10 NATO countries:		
Belgium-Luxemburg.....	\$88.9	\$0
Denmark.....	23.0	14.0
France.....	270.0	296.0
Iceland.....	5.5	0.7
Italy (including Trieste).....	162.5	\$77.5
Netherlands.....	100.0	56.4
Norway.....	15.0	7.0
Portugal.....	0	0
United Kingdom.....	\$350.0	\$416.0
Total 10 countries.....	934.9	867.6
Germany (Federal Republic).....	106.0	113.0
Total 10 countries and Germany.....	1,040.9	980.6
Greece.....	182.0	102.283
Turkey.....	70.0	49.0
Total NATO countries and Germany.....	1,292.9	1,131.883
Austria.....	120.0	61.0
Total 14 countries.....	1,412.9	1,192.883
Yugoslavia.....	80.25	55.0
Total 15 countries.....	1,493.15	1,247.883

¹ These are MSA figures.² Components for military end items exclusively.³ Includes \$12.5 million for POL processed for Greek account.⁴ Includes \$50 million pursuant to the agreement with United Kingdom of July 7, 1950.⁵ Includes \$36 million pursuant to the agreement with United Kingdom of July 7, 1950.⁶ Economic aid.

The committee believes that the expenditure of these funds can easily result in at least twice the amount of military production that could be secured by the expenditure of similar sums for military end items in this country. The committee was presented with many examples to illustrate this point, such as, that \$2,000,000 worth of machine tools enabled the Rolls Royce and DeHaviland aircraft companies to increase their output of jet engines by \$60,000,000 per year and that \$2,000,000 worth of mine machinery made it possible to rehabilitate a Norwegian iron mine, destroyed during the war, which will ship \$7,500,000 of iron ore concentrates to European steel mills this year.

ASSISTANCE TO SPAIN

In connection with the program for assistance to Spain the following testimony was received by the committee.

"The amount of \$100 million contained in the legislation last year has not been spent. We have been engaged in negotiations with the Spanish Government concerning bilateral agreements on the various items by way of bases and other quid pro quos which are to be made available in return for the use of that money, none of which has been obligated, and it is presently expected that none will be obligated in this fiscal year.

As was also testified previously these negotiations are going on, and on the whole give promise of reaching a mutually satisfactory conclusion before too long.

There was added in the authorization legislation this year another \$25 million, as I believe the members of the subcommittee know, so that there will be available by terms of this year's and last year's legislation a total of \$125 million for Spain in addition to a small carry-over of the Export-Import Bank loan funds that were made available, I believe, in the legislation in the fiscal year 1950."

The committee recommends language which continues available until June 30, 1953, the \$100,000,000 appropriation for assistance to Spain granted in the Mutual Security Appropriation Act for 1952. Since the authorizing legislation specifically requires that not less than \$25,000,000 of the funds made available under Title I shall be used for economic, technical, and military assistance to Spain, there will be available at least \$125,000,000 for such assistance during fiscal year 1953.

TITLE II—NEAR EAST AND AFRICA

The bill includes \$711,430,500 for this title of which \$530,316,500 is for Military assistance, \$50,822,750 is for technical cooperation, \$60,063,250 is for Palestine refugees and \$70,228,000 is for Israel refugees. The total amount recommended is \$30,000,000 below the budget estimate and \$158,924,500 over the comparable amount for fiscal year 1952.

MILITARY ASSISTANCE

The committee recommends \$530,316,500 for this title, a reduction of \$30,000,000 in the budget estimate. These funds are to provide for matériel and training assistance to Greece, Turkey, and Iran. In addition, under the terms of Section 202 of Mutual Security Act of 1951, as amended, not to exceed 10 percent of the appropriation may be utilized for any other country of the Near East area subject to certain determinations by the President.

ECONOMIC AND TECHNICAL ASSISTANCE

The bill includes a total of \$181,114,000, the amount of the budget estimate, for the three programs under economic assistance and technical cooperation, title II, namely, Technical cooperation, Palestine refugee program, and Relief and resettlement of refugees entering Israel.

The sum of \$50,822,750 is provided for the technical cooperation program which is a reduction of \$5,433,250 below the 1952 amount.

The following table sets forth the countries, the actual 1951 obligations and those estimated for fiscal years 1952 and 1953.

Comparative summary of obligations by country

[In thousands of dollars]

Country	Actual, fiscal year 1951	Estimate, fiscal year 1952	Estimate, fiscal year 1953
Arab States.....	\$557.5	\$12,931	\$21,717
Egypt.....	103.0	670	4,911
Iraq.....	23.4	856	1,276
Jordan.....	132.7	5,070	3,757
Lebanon.....	113.0	3,872	3,974
Saudi Arabia.....	97.3	463	647
Syria.....	88.1	2,000	6,921
Yemen.....			231
Independent Africa.....	992.9	4,430	3,234
Ethiopia (Eritrea).....	50.0	1,238	924
Liberia.....	785.5	1,506	1,155
Libya.....	157.4	1,686	1,155
Iran.....	1,460.4	23,450	23,100
Israel.....	96.3	14,950	2,772
Regional.....	702.7	495	
Total obligations.....	3,809.8	56,256	50,823

The committee has approved the budget estimate of \$60,063,250 for Palestine Refugees (Arabs from Palestine), and \$70,228,000 for Relief and Resettlement of Refugees coming into Israel. The major portion of the appropriation for "Palestine refugees" is to enable the United Nations Relief and Works Agency for Palestine Refugees to continue with the reestablishment of over 800,000 Arab refugees from Palestine under a 3-year program scheduled to be completed by June 30, 1954. The appropriation for "Refugees coming into Israel" is for direct aid to Israel and is to meet the immediate need for relief and settlement of the tremendous influx of refugees. The alleviation of the refugee problem in the Near East is a major factor in bringing about political and economic stability in this area.

TITLE III—ASIA AND THE PACIFIC

The committee recommends \$862,220,000 for this title of which \$540,807,500 is for military aid and \$321,412,500 for economic and technical assistance. The amount recommended represents a reduction of \$69,000,000 in the budget estimates and a reduction of \$58,322,866 from the comparable appropriation for fiscal year 1952.

MILITARY ASSISTANCE

The \$540,807,500 is to provide matériel and training to the countries in the general area of China, including Thailand, Indochina, Philippines, and the Nationalist Government of the Republic of China. There is no other area of the world where the immediate need for military strength to ward off Communism is more apparent.

ECONOMIC AND TECHNICAL ASSISTANCE

The funds for economic and technical assistance under this title are contained in three separate appropriations. The special technical and economic assistance, under the Mutual Security Agency, provides assistance for China (Formosa), Indochina (Associated States), Philippines, and Thailand. The bill includes \$202,778,250, the amount of the budget estimate for the program. The following table sets forth the actual amount of the program by countries for fiscal year 1951 and the estimated obligations for fiscal years 1952 and 1953.

Comparative summary of obligations by country and activity

[In thousands of dollars]

Country	Actual, fiscal year 1951	Estimate, fiscal year 1952	Estimate, fiscal year 1953
Special technical and economic assistance:			
China (Formosa).....	¹ \$92,550.0	¹ \$81,000.0	¹ \$100,500.0
Indochina (Associated States).....	21,823.0	24,500.0	² 56,500.0
Philippines.....	15,087.0	32,000.0	28,000.0
Thailand.....	8,932.0	7,000.0	6,200.0
Undistributed by country.....	246.0	150.0	-----
Subtotal.....	138,638.0	144,650.0	191,200.0
Basic materials development (undistributed).....	-----	-----	11,578.3
Total obligations.....	138,638.0	144,650.0	202,778.3

¹ Includes direct military support (common-use items) as follows: Fiscal year 1951, \$12,500,000; fiscal year 1952, \$12,725,000; fiscal year 1953, \$30,500,000.

² Includes \$30,500,000 for direct military support (common-use items).

The amount of the budget estimate, \$118,634,250 is included for the technical cooperation program, under the State Department, which provide bilateral technical cooperation for eight countries.

The following table sets forth the countries, the actual obligations for 1951, and those estimated for fiscal years 1952 and 1953.

Comparative summary of obligations by country and activity

[In thousands of dollars]

Country	Actual, fiscal year 1951	Estimate, fiscal year 1952	Estimate, fiscal year 1953
Bilateral technical cooperation:			
Afghanistan.....	\$64.1	\$309.2	\$539.2
Burma.....	10,784.0	14,000.0	12,133.0
Ceylon.....	35.2	18.2	303.0
India.....	5,193.8	54,565.0	77,517.0
Indonesia.....	7,975.0	8,000.0	5,392.0
Malaya.....	1.4		
Nepal.....	35.1	116.6	169.9
Pakistan.....	448.6	10,778.0	22,581.9
Regional.....	65.5	6.0	
Total obligations.....	24,602.7	87,793.0	118,634.2

Also included in title III is the United Nations Korean Reconstruction Agency, for which an additional appropriation of \$45,000,000 was requested. The committee has disallowed the request, but has included language which will continue available the estimated unobligated balance of \$41,500,000 as of June 30. It was testified that this agency will not assume full responsibility for relief and rehabilitation in Korea until 6 months after cessation of hostilities.

TITLE IV—AMERICAN REPUBLICS

The committee recommends \$72,014,750 for this title of which \$51,685,750 is for military aid and \$20,329,000 for technical cooperation. The amount recommended represents a reduction of \$6,000,000 in the budget estimates and an increase of \$16,019,097 over the comparable appropriation for fiscal year 1952.

MILITARY ASSISTANCE

The \$51,685,750 included in this title is largely to provide spare parts for equipment already on hand and training assistance both in the United States and the recipient Latin American countries.

ECONOMIC AND TECHNICAL ASSISTANCE

The bill includes \$20,329,000, the amount of the budget estimate for technical cooperation programs for Latin America. This amount provides for a slight expansion of the programs being carried out during the fiscal year 1952.

The following table furnished the committee sets forth the countries participating and the estimated amount for each.

Comparative summary of obligations by country

[In thousands of dollars]

Country	Actual, fiscal year 1951	Estimate, fiscal year 1952	Estimate, fiscal year 1953
Bolivia.....	\$502.8	\$1,495.0	\$1,356.0
Brazil.....	1,319.3	2,740.0	3,852.0
Chile.....	433.3	1,321.0	1,143.0
Colombia.....	298.7	781.0	773.0
Costa Rica.....	524.8	1,364.0	1,087.0
Cuba.....	67.6	182.0	257.0
Dominican Republic.....	123.2	287.0	316.0
Ecuador.....	577.3	1,407.0	1,276.0
El Salvador.....	215.1	587.0	709.0
Guatemala.....	274.0	223.0	219.0
Haiti.....	544.9	797.0	720.0
Honduras.....	271.0	712.0	794.0
Mexico.....	406.9	891.0	1,046.0
Nicaragua.....	221.4	669.0	840.0
Panama.....	451.2	1,004.0	993.0
Paraguay.....	678.4	1,676.0	1,121.0
Peru.....	1,417.8	1,874.0	1,966.0
Uruguay.....	186.9	436.0	495.0
Venezuela.....	200.2	156.0	159.0
Regional projects.....	656.8	1,253.0	1,207.0
Total obligation.....	9,371.6	19,861.0	20,329.0

TITLE V

MOVEMENT OF MIGRANTS

The bill includes \$9,240,500, the amount of the budget estimate for this program, the intent of which is to facilitate the movement of surplus manpower from certain countries of Europe to other countries where such manpower can be utilized. The program for 1953 calls for the movement of 140,000 migrants as compared with the planned movement of 137,500 in 1952.

OCEAN FREIGHT VOLUNTARY RELIEF PACKAGES

The sum of \$2,587,500 the amount of the budget estimate, is included in the bill for payment of ocean transportation on relief supplies and packages in the following categories: relief supplies and packages shipped by voluntary nonprofit relief agencies, parcel post packages, and packages shipped by commercial freight.

MULTILATERAL TECHNICAL COOPERATION

The bill includes \$15,708,750 for contributions authorized by section 404 (b) of the Act for International Development, as amended by section 10 (a) of the Mutual Security Act of 1952.

The following table sets forth the amounts for the program by area and agency.

United Nations and specialized agencies by geographic region, 1953 estimates

Agency	Title I, Europe	Title II, Near East and Africa	Title III		Title IV, American Republics	Total
			South Asia	Pacific		
Food and Agriculture Organization.....	\$427, 000	\$2, 462, 000	\$1, 144, 000	\$1, 030, 000	\$1, 737, 000	\$6, 800, 000
International Civil Aviation Organi- zation.....	33, 000	361, 000	173, 000	155, 000	79, 000	801, 000
International Labor Organization.....	298, 000	618, 000	579, 000	521, 000	614, 000	2, 630, 000
International Telecommunications Union.....		72, 000	75, 000	68, 000	46, 000	261, 000
United Nations.....	168, 000	1, 171, 000	887, 000	799, 000	2, 351, 000	5, 376, 000
United Nations Educational, Scienti- fic and Cultural Organization.....	117, 000	823, 000	822, 000	740, 000	751, 000	3, 253, 000
World Health Organization.....	183, 000	2, 082, 000	841, 000	757, 000	1, 269, 000	5, 132, 000
World Meteorological Organization.....		72, 000	75, 000	68, 000	46, 000	261, 000
Total.....	1, 226, 000	7, 661, 000	4, 596, 000	4, 138, 000	6, 893, 000	24, 514, 000
United States share.....						14, 708, 750
Organization of American States.....					1, 000, 000	1, 000, 000
Total obligations.....						15, 708, 750

CONTRIBUTION TO UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY
FUND

The bill includes \$16,481,000, the amount of the budget estimate, to enable the President to make contributions to the United Nations International Children's Emergency Fund (UNICEF) as authorized by section 12 the Mutual Security Act of 1952.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

H. Doc. No.	Agency and item	Appropriation, 1952 ¹	Estimates, 1953	Recommended in this bill	Bill compared with	
					Appropriations, 1952	Estimates, 1953
	DEPARTMENT OF DEFENSE					
	DEPARTMENT OF THE ARMY—CIVIL FUNCTIONS					
285	Government and Relief in Occupied Areas.....	\$22, 500, 000	\$12, 820, 000	\$11, 000, 000	—\$11, 500, 000	—\$1, 820, 000
	DEPARTMENT OF STATE					
285	Government in Occupied Areas.....	26, 880, 000	20, 500, 000	19, 000, 000	—7, 880, 000	—1, 500, 000
510 } 512 }	MUTUAL SECURITY					
	TITLE I—EUROPE					
	Military Assistance.....	4, 165, 542, 957	3, 415, 614, 750	3, 273, 824, 750	—891, 718, 207	—141, 790, 000
	Economic and Technical Assistance....	1, 509, 072, 890	1, 282, 443, 000	1, 282, 433, 000	—226, 639, 890	—10, 000
	Assistance to Spain.....	100, 000, 000	(²)	(²)	—100, 000, 000	-----
	TITLE II—NEAR EAST AND AFRICA					
	Military Assistance.....	396, 250, 000	560, 316, 500	530, 316, 500	+134, 066, 500	—30, 000, 000
	Technical Cooperation.....	56, 256, 000	50, 822, 750	50, 822, 750	—5, 433, 250	-----
	Palestine Refugees.....	50, 000, 000	60, 063, 250	60, 063, 250	+10, 063, 250	-----
	Israel Refugees.....	50, 000, 000	70, 228, 000	70, 228, 000	+20, 228, 000	-----

TITLE III—ASIA AND PACIFIC					
Military Assistance-----	688, 444, 000	564, 807, 500	540, 807, 500	-147, 636, 500	-24, 000, 000
Economic Assistance (MSA)-----	144, 305, 866	202, 778, 250	202, 778, 250	+58, 472, 384	-----
Technical Cooperation (TCA)-----	87, 793, 000	118, 634, 250	118, 634, 250	+30, 841, 250	-----
Contributions to United Nations Korean Reconstruction Agency-----		45, 000, 000			-45, 000, 000
TITLE IV—AMERICAN REPUBLICS					
Military Assistance-----	38, 150, 000	57, 685, 750	51, 685, 750	+13, 535, 750	-6, 000, 000
Technical Cooperation-----	17, 845, 653	20, 329, 000	20, 329, 000	+2, 483, 347	-----
TITLE V—MISCELLANEOUS ECONOMIC ASSISTANCE					
Movement of Migrants-----	10, 000, 000	9, 240, 500	9, 240, 500	-759, 500	-----
Ocean Freight—Voluntary Relief Packages-----	2, 843, 610	2, 587, 500	2, 587, 500	-256, 110	-----
Multilateral Technical Cooperation----	12, 400, 000	15, 708, 750	15, 708, 750	+3, 308, 750	-----
Contributions to United Nations International Children's Emergency Fund-----		16, 481, 000	16, 481, 000	+16, 481, 000	-----
Subtotal, Mutual Security-----	7,328,903,976	³ 6,492,740,750	³ 6,245,940,750	-1,082,963,226	-246,800,000
Total, Chapter IX-----	7,378,283,976	6,526,060,750	6,275,940,750	-1,102,343,226	-250,120,000

¹ For Mutual Security, 1952 appropriations are shown as adjusted for comparability to 1953 appropriation structure.

² Not less than \$25,000,000 of title I made available plus unobligated balance of \$100,000,000.

³ In addition, authority to continue available unobligated balances of prior years funds, estimated by agencies at \$539,511,223 at the time of budget submission but now estimated to be \$809,865,882.

CHAPTER X

EMERGENCY AGENCIES

SUBCOMMITTEE

CLARENCE CANNON, Missouri, *Chairman*

ALBERT THOMAS, Texas
MICHAEL J. KIRWAN, Ohio
JAMIE L. WHITTEN, Mississippi
JOHN J. ROONEY, New York
JOHN E. FOGARTY, Rhode Island

JOHN TABER, New York
RICHARD B. WIGGLESWORTH, Massachusetts
GLENN R. DAVIS, Wisconsin
NORRIS COTTON, New Hampshire¹
GERALD R. FORD, Jr., Michigan¹

¹ Temporarily assigned.

EXPENSES OF DEFENSE PRODUCTION

The committee considered estimates in the amount of \$173,360,000, as contained in House Document 504 for defense production and stabilization activities. Of this total amount \$103,250,000 was requested for the Economic Stabilization Agency. Due to the present state of indecision as to the status this agency will actually assume in fiscal year 1953 no action has been taken on these estimates. Following the same line of thought no action has been taken on the estimate of the General Services Administration which includes the rental of space for ESA. Funds are recommended in the bill in the amount of \$44,190,000 for the defense production activities of the other agencies involved, a reduction of \$17,420,000 in the budget estimates.

The reductions recommended by the committee are based generally on two criteria, first that substantial progress has been made in the mobilization program and second, that existing governmental personnel and services are not being utilized to the maximum called for by the defense program.

The primary objective of the defense production agencies was the establishment of an industrial base that would supply the expanded military needs of the nation. As has been stated this mobilization base is well on its way to completion. In this connection the Director of Defense Mobilization, in his fifth quarterly report to the President stated, "The time has now arrived when most of the capacity needed for our current programs is either in place or in sight". The controlled materials plan is in operation. It was testified that a significant start has been made toward removing and relaxing controls. The extent of the loan and tax amortization programs appears to be diminishing. In view of the progress that has been made in this respect the committee believes that the final objectives of the program can be reached with considerably less personnel and at less expense than is contemplated in the Budget estimates submitted to the Congress.

Congress in passing the Defense Production Act of 1950 and in making subsequent appropriations available for its implementation envisaged that the executive branch wherever possible would use the existing governmental structure and personnel in furthering those

activities essential to the defense effort. That this has not been done is borne out by the 26,832 permanent positions requested for the defense activities in fiscal year 1953. The committee reiterates the position it took in reporting the bill containing appropriations for these agencies in fiscal year 1952. There must be more positive determination on the part of the Bureau of the Budget and the regularly established agencies of the Government to put aside non-defense matters and to channel their normal activities to those services designed to further the defense effort now being made by the people of this country. To this end the bill again includes a provision directing the transfer of funds from regular to defense activities in the established departments. The committee will expect that the agencies of the executive branch will take a more realistic view of their role in the defense effort by a greater utilization of their regular personnel and resources than was true in fiscal year 1952.

The committee is disappointed in the apparent lack of effective over-all management and personnel programs in the defense agencies. This is especially true in the Economic Stabilization Agency and its constituent offices. In the Office of Price Stabilization considerable overstaffing resulted when a staffing pattern was developed with little regard for the amount of actual work to be performed. Testimony before the committee disclosed that little has been done to date to correct this error. The result of such practices can only be an increase in the financial burden of the Government. Those in charge of these matters in the executive branch must realize that neither the formation of temporary agencies nor the addition of new functions to established ones are licenses to hire personnel and expend funds without regard for proper economy.

OFFICE OF DEFENSE MOBILIZATION

The amount of \$1,000,000 is recommended for this agency, a reduction of \$550,000 in the budget estimate of \$1,550,000. The committee has not allowed the funds requested in the amount of \$145,000 to reimburse the National Security Resources Board for administrative services performed for ODM. These costs were borne by the NSRB in 1952 and this policy should be continued in the coming fiscal year.

DEFENSE PRODUCTION

The reduction of \$16,870,000 recommended for the agencies engaged chiefly in the production portion of the mobilization effort are generally based on the factors mentioned in the preceding paragraph. The committee desires, however, to point out in more specific detail the activities of several individual departments.

Defense Production Administration.—Funds in the amount of \$2,750,000 are approved for this agency, a reduction of \$750,000 in the budget estimates. The functions of DPA and the National Production Authority are similar in many instances. The chief difference being the detailed operational activities of NPA. For the major portion of the current fiscal year they have operated under one head. Although some progress has been made in the integration of the two offices it seems obvious that much more can be done with resultant savings that should have been achieved in the present fiscal

year. The committee hopes that further integration will become an actuality in the near future.

Department of Commerce.—The defense activities of this Department are divided among seven offices including the National Production Authority. Funds are recommended in the amount of \$25,000,000, a reduction of \$10,000,000. Many of the activities for which funds were requested, especially those of the Industry Evaluation Board, Office of International Trade, Office of Transportation and the Office of Industry and Commerce, appear to have no part in the defense program or are duplication at least in part of functions of other agencies.

The National Production Authority is the chief defense activity of the Department of Commerce. The Office of Field Service has the responsibility of operating the field offices of NPA while the Office of the Secretary, supplies necessary printing, distribution, and administrative services to NPA. With the aforementioned reduction in the workload of these agencies and a closer integration of DPA and NPA activities the funds recommended should prove sufficient to carry out the defense programs of this agency in a realistic manner.

No part of the funds approved are to be used by the Office of the Secretary to provide other than printing and distribution services to NPA. Adequate regular funds exist to provide the necessary administrative services for which this office is responsible.

Defense Transport Administration.—This agency is faced with the task of mobilizing and coordinating the transportation, warehousing and port facilities of the Nation in this continuing production and mobilization effort. That it has made substantial progress toward the fulfillment of this task is pointed out by the alleviation of the freight-car shortage that faced the Nation only a year ago. Such progress as this indicates that the workload of this agency should decline appreciably in the coming fiscal year. This factor and a belief that the Interstate Commerce Commission can absorb a great deal of the DTA work within its regular appropriations leads the committee to believe that the recommended amount of \$2,200,000 should prove adequate.

Department of Agriculture.—Although the committee has specifically denied the request of the department to transfer section 32 funds to defense activities, the funds recommended in the amount of \$2,000,000 are adequate if this agency will utilize its regular services to a larger degree than is presently anticipated. The amount recommended includes \$75,000 for preparation of data on farm wages, farm supply, and requirements by the Bureau of Agricultural Economics. The results of these studies will be extremely useful to those who are assisting the farmer to meet his manpower requirements.

Department of Labor.—In allowing \$1,750,000 for the Department of Labor the committee has allowed the full amounts of the budget estimate, \$584,000 and \$214,000, respectively, for the Bureau of Apprenticeship and the Bureau of Labor Standards. It is obvious that the continued development of skilled manpower through the training program of the Bureau of Apprenticeship is essential if we are to provide the trained personnel necessary to effectively utilize the defense production facilities now being constructed.

In contrast to the duplication of accident-prevention work in the mobilization effort in World War II such activities are now vested solely in the Bureau of Labor Standards. The proper administration of this program will result not only in monetary and manpower savings but in greatly increased production at little cost to the Federal Government.

Small Defense Plants Administration.—Funds are approved in the amount of \$3,500,000 for the salaries and expenses of this agency. If the efforts of the Government to assist small business are to be successful and at the same time economical a thorough study of the small business activities of other Federal agencies must be made by the proper authorities to insure that no duplication exists and that the intent of the authorizing act as regards transfer of funds and functions to SDPA are carried out to a greater degree than has been true in the past.

The estimate of \$5,000,000 for a revolving fund to be used by this agency in the purchase of prime contracts is approved in the amount of \$3,000,000.

FEDERAL CIVIL DEFENSE ADMINISTRATION

The amount of \$37,500,000 is recommended for the Federal Civil Defense Administration, a reduction of \$562,500,000 in the budget estimates.

The funds recommended represent continued implementation of the concept of civil defense envisaged by the committee and the Congress in making appropriations for this agency in the past two fiscal years. This concept has as its basis the development of adequate attack warning and communication systems, and the training and education of the American people in matters of self protection. The continued development of this program together with the proper coordination of the civil defense programs of the various states should provide a realistic civil defense plan without the expenditure of large sums of money.

Operations.—Funds are recommended in the amount of \$8,000,000 for this item, a reduction of \$24,000,000 in the budget estimate.

The committee's action on the several activities are as follows:

Attack warning system.....	\$300, 000
Communications.....	1, 200, 000
Supply Services.....	800, 000
Training.....	1, 400, 000
Technical guidance.....	1, 300, 000
Health and special weapons defense.....	400, 000
Public information.....	1, 600, 000
Executive direction.....	1, 000, 000

Funds requested in the amount of \$3,060,000 for research were not allowed in the belief that the major portion of the proposed program represents duplication of work being done by other federal agencies.

The committee is deeply concerned with the apparent desire of this agency to build up a large superstructure of high-salaried permanent positions. It will be expected that in applying the reductions effected the agency will bring its staffing pattern in line with reasonable classification practices.

Federal Contributions.—The amount of \$29,500,000 is recommended for this item to be allotted to the several activities as follows:

Attack warning system.....	\$3, 000, 000
Communications system.....	1, 500, 000
Medical supplies and equipment.....	25, 000, 000

Funds contained under this heading are available to the several states on a matching basis. The committee has denied the funds requested for fire-fighting, rescue and training services in belief that they are properly charges to be borne solely by the state and local governments.

The budget estimates contain \$193,000,000 for the purchase of medical supplies and equipment, a wholly federal charge. As of May 31, 1952 none of the \$50,000,000 appropriated for this item in 1952 had been expended. An expenditure of only \$39,568 is estimated for the entire fiscal year 1952. This merely accentuates the fact that although Congress has made funds available for medical stockpiling few, if any, deliveries of the needed supplies and equipment have actually been made. At the same time the current value of medical stockpiles in other federal agencies is estimated as approximately \$400,000,000. It would appear to the committee that sufficient funds remain available to the Civil Defense Administration to build up its stockpiles in fiscal year 1953. The request is accordingly denied and \$25,000,000 made available to be equally matched by the states and to be used to build up their own stockpiles of medical supplies and equipment.

Emergency supplies.—Funds requested in this item are for Federal purchases of supplies and equipment. In addition to the \$193,000,000 mentioned above the amount of \$50,000,000 was requested for purchasing engineering and welfare supplies. The need for such supplies and services is purely local and is therefore properly chargeable to the local government. The request is accordingly denied.

Protective facilities.—The committee has again denied the request of \$250,000,000 for the initiation of a shelter program. The Federal Civil Defense Act of 1950 makes funds for such a program available only on a matching basis. Testimony before the committee disclosed that the entire amount of funds made available by the local governments specifically for this purpose is represented in the \$28,500,000 appropriated by the State and city of New York. It appears that the real need in this program is not a vast outlay of Federal funds but rather the continued development of shelter programs in the several States. Such programs are based on surveys now being conducted at non-Federal expense by local agencies to determine the availability of existing shelters and the possibility of strengthening them to conform to the needs of the area.

Procurement fund.—The amount of \$25,000,000 requested for this revolving fund has been denied. The committee has inserted language in the bill which will make the \$5,000,000 appropriated to date for this item available in 1953 and without regard to fiscal year limitations. This should be adequate to meet the needs of this agency in this respect.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill

H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
504	EMERGENCY AGENCIES			
	DEFENSE PRODUCTION			
	Office of Defense Mobilization.....	\$1, 550, 000	\$1, 000, 000	—\$550, 000
	Defense Production Administration.....	3, 500, 000	2, 750, 000	—750, 000
	Defense Transport Administration.....	2, 500, 000	2, 200, 000	—300, 000
	Economic Stabilization Agency.....	¹ 103, 250, 000		
	Small Defense Plants Administration:			
	Salaries and expenses.....	4, 200, 000	3, 500, 000	—700, 000
	Revolving fund.....	5, 000, 000	3, 000, 000	—2, 000, 000
	Federal Security Agency.....	545, 000	400, 000	—145, 000
	General Services Administration.....	¹ 8, 500, 000		
	Department of Agriculture.....	3, 000, 000	2, 000, 000	—1, 000, 000
	Department of Commerce.....	35, 000, 000	25, 000, 000	—10, 000, 000
	Department of the Interior.....	4, 000, 000	2, 500, 000	—1, 500, 000
	Department of Justice.....	215, 000	90, 000	—125, 000
	Department of Labor.....	2, 100, 000	1, 750, 000	—350, 000
	Total, defense production activities.....	61, 610, 000	44, 190, 000	—17, 420, 000

¹ Recommendations will be made in the form of committee amendments.

Comparative statement of the amounts of the budget estimates and of the amounts recommended to be appropriated by the bill—Continued

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H. Doc. No.	Department or agency	Estimates	Recommended in bill	Bill compared with estimates
285	EMERGENCY AGENCIES—Continued			
	FEDERAL CIVIL DEFENSE ADMINISTRATION			
	Operations.....	\$32, 000, 000	\$8, 000, 000	\$—24, 000, 000
	Federal contributions.....	50, 000, 000	29, 500, 000	—20, 500, 000
	Emergency supplies and equipment.....	243, 000, 000	-----	—243, 000, 000
	Protective facilities.....	250, 000, 000	-----	—250, 000, 000
	Civil defense procurement fund.....	25, 000, 000	-----	—25, 000, 000
	Total, Civil Defense Administration.....	600, 000, 000	37, 500, 000	—562, 500, 000
	Total, Chapter X.....	661, 610, 000	81, 690, 000	—579, 920, 000

SUPPLEMENTAL APPROPRIATION BILL, 1953

CHAPTER XI

CLAIMS, AUDITED CLAIMS, AND JUDGMENTS

The committee has considered estimates contained in House Document No. 517 and Senate Document 144 and has approved the requests as submitted by the Bureau of the Budget. The appropriation of \$5,621,463 for payment of final determinations of the Motor Carrier Claims Commission is recommended with the understanding that individual payments to be made will be final and in full settlement of each original claim.

CHAPTER XII

GENERAL PROVISIONS

SUBCOMMITTEE

JOHN H. KERR, North Carolina, *Chairman*

CLARENCE CANNON, Missouri
LOUIS RABAUT, Michigan

GLENN R. DAVIS, Wisconsin
GERALD R. FORD, Jr., Michigan

The general provisions included in this bill cover all agencies and corporations of the Federal Government in practically the same manner as they did a year ago in the Supplemental Appropriation Act of 1952 and in most cases are substantially the same as those which were carried in that bill.

Section 1201 continues, at \$1,400 each, the limitation on the amount that may be spent for purchase of passenger motor vehicles. This is the same figure that is carried in the 1952 Act.

Section 1202 continues language which has been carried for some time concerning the employment of aliens.

Section 1203 continues language previously carried relating to living quarters allowances.

Section 1204 continues language previously carried prohibiting the filling of positions by anyone whose nomination has been disapproved by the Senate.

Section 1205 continues language previously carried limiting the amount that may be paid for copies of the United States Code Annotated.

Section 1206 continues language previously carried relating to the use of funds by Government corporations.

Section 1207 continues language previously carried prohibiting the use of funds of corporations for purchase or construction of office buildings at the seat of Government.

Section 1208 continues language previously carried commonly known as the anti-strike provision.

Section 1209 continues language previously carried concerning payments to retired officers who may be conducting negotiations with the Government.

Section 1210 continues, and makes permanent, language previously carried authorizing the use of appropriated funds for payment of taxes where the United States is an employer as defined by the provisions of the Social Security Act Amendments of 1950.

Section 1211 continues language previously carried to authorize the transfer of personnel and appropriations to defense activities of various departments and agencies of the Government in pursuance of law.

Section 1212 prohibits the use of funds in this Act to pay employees at rates in excess of that provided in the regular 1953 appropriation acts. This is similar to a provision in last year's bill.

Section 1213 carries new language concerning rental of Government-owned living quarters. This language incorporates, by reference, Bureau of the Budget Circular A-45 and is recommended by the committee in order to establish a more uniform and equitable handling of the rental problem. The language in this section provides that a report on its operations shall be made to Congress early in the 83rd Congress at which time the Committee can give the matter further consideration and make a redetermination as to the proper steps that should be taken.

Section 1214 contains language validating obligations incurred by the various departments and agencies whose bills have not been finally approved by July 1, 1952. This will cover the period from July 1, 1952, to the date of enactment of the various Acts.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 11, in connection with extraordinary alterations and repairs, executive mansion:

** * *, to be expended as the President may determine, notwithstanding the provisions of this or any other Act.*

On pages 11 and 12, in connection with plant and equipment, Atomic Energy Commission:

Provided, That in connection with the expansion of facilities provided in this appropriation, the Commission is authorized without regard to section 3679 of the Revised Statutes to enter into new contracts or modify existing contracts to provide for electric utility services for periods not exceeding twenty-five years, and such contracts shall be subject to termination by the Commission upon payment of cancellation costs provided in the contracts, and any appropriation presently or hereafter made available to the Commission shall be available for the payment of such cancellation costs: Provided further, That no part of the foregoing appropriation shall be available for the construction of any building, utility, or other specific portion of a project, unless funds are available for the completion of such building, utility, or other specific portion of such project.

On page 12, in connection with hospital facilities in the District of Columbia, General Services Administration:

Provided further, That appropriations and contract authorizations heretofore granted under the head of "Hospital Center, District of Columbia" shall be merged with and accounted for as a part of this appropriation.

On page 13, in connection with defense housing, Office of the Administrator, Housing and Home Finance Agency:

Provided, That the funds hereby appropriated shall not be available in excess of the amount now or hereafter authorized to be appropriated to the Housing and Home Finance Agency for defense housing by title III of the Defense Housing and Community Facilities and Services Act of 1951

On pages 13 and 14, in connection with administrative expenses, Federal National Mortgage Association:

Provided, That this paragraph shall take effect only upon the enactment into law of S. 3066, Eighty-second Congress.

On page 14, in connection with Alaska Housing:

Provided, That this paragraph shall take effect only upon the enactment into law of S. 3066, Eighty-second Congress.

On page 27, in connection with Government in Occupied Areas:

and (4), in the event sufficient currencies are not available from the sources specified in (1), (2), and (3) above, currencies derived from payments by the Federal Republic of Germany and the Republic of Austria to the Government of the United States for surplus property of whatever nature and kind heretofore made available to Germany and Austria, in an amount not to exceed the equivalent of \$25,000,000; however, the foregoing limitation shall not apply to currencies utilized hereunder for United States assistance to Berlin:

On page 48, in connection with General Provisions of Chapter XII:

Sec. 1213. During the current fiscal year, the provisions of Bureau of the Budget Circular A-45, dated June 3, 1952, shall be controlling over the activities of all departments, agencies, and corporations of the Government: Provided, That said circular may be amended or changed during such year by the Director of the Budget with the approval of the chairman of the Committee on Appropriations of the House of Representatives: Provided further, That the Bureau of the Budget shall make a report to Congress not later than January 31, 1953, of the operations of this order upon all departments, agencies, and corporations of the Government: Provided further, That, notwithstanding the provisions of any other law no officer or employee shall be required to occupy any Government-owned quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise.